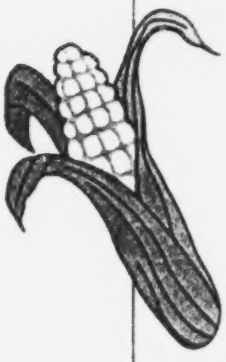
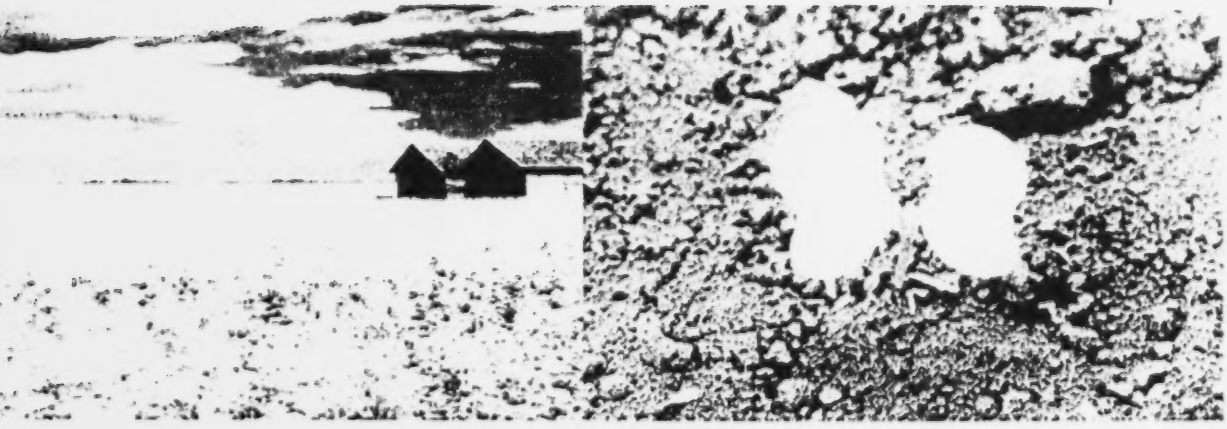
Manitoba
Agriculture
and Food

Program & Policy Analysis

2001

Manitoba Grains & Oilseeds Industry Profiles





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N/A = not available

Data sources: *Agriculture and Agri-Food Canada*
Canadian Grain Commission
Manitoba Agriculture and Food
Statistics Canada

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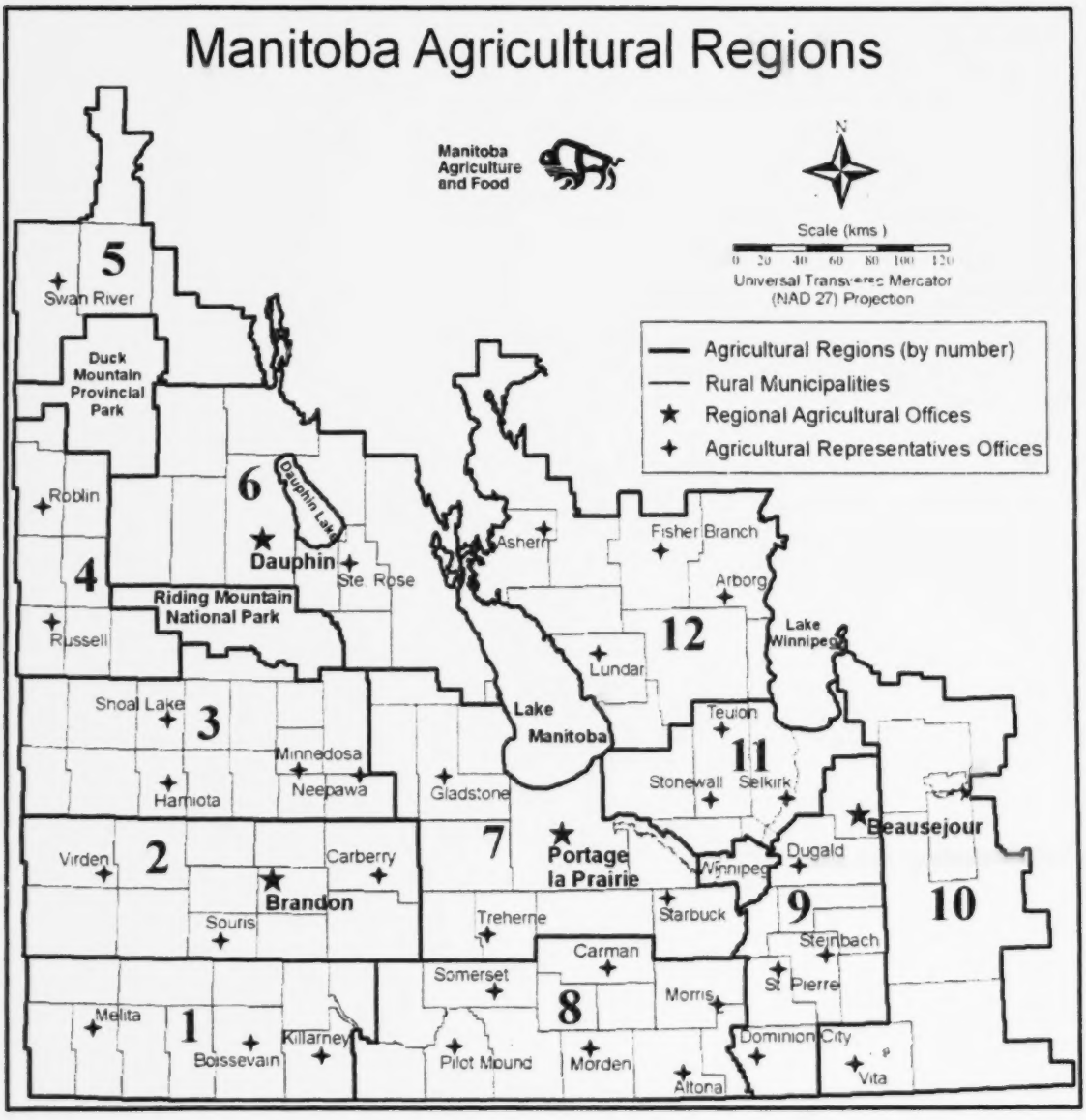
November, 2002

Manitoba Agricultural Regions



Administrative Region Name	Agricultural Region Numbers
Southwest	1, 2, 3
Northwest	4, 5, 6
Central	7, 8
Eastern/Interlake	9, 10, 11, 12

WHEAT SECTOR

WHEAT SECTOR PROFILE

Production:

The area seeded to wheat in Manitoba peaked in 1990 at 5.46 million acres, of which 5.45 million acres were harvested. The 1990 wheat production of 216.2 million bushels was also a record. Over the next five years, wheat plantings decreased in response to relatively low prices. Seeded and harvested areas rose to 4.23 million acres and 4.20 million acres respectively in 1996 after prices improved significantly in 1994/95, but fell to 3.24 million acres in 1998 when prices dropped in late 1996 and again in 1997. Due to excess soil moisture, the 1999 area seeded to wheat declined to 3.18 million acres, but seeded and harvested areas rose back to 3.94 million acres and 3.91 million acres respectively in 2001, slightly above the 2000 level.

The total value of the Manitoba wheat crop was highest in 1985, at $757.8 million, but dropped to a twenty-year low of $373.0 million in 1999. In 2001, the value of wheat production decreased by 7 percent from the year before to $477.0 million, but wheat remained the most valuable crop in the province for a second year in a row. Despite occupying the largest area of any annual crop in Manitoba, wheat was the second most valuable crop in the province after canola in 1997, 1998 and 1999.

Production of wheat declined to 126.1 million bushels in 2001 from 156.8 million bushels in 2000. Manitoba contributed 16.7 percent of total Canadian wheat production in 2001, up from 11.8 percent in 1999.

Yields averaged 32.2 bushels per acre in 2001 compared to a 10-year average of 34.9 bushels per acre and 40.3 bushels per acre in 2000. The largest average yield on record was 41.4 bushels per acre in 1992.

About 89 percent of Manitoba's 2001 wheat crop was Hard Red Spring wheat, 7.3 percent was Winter wheat, about 1.2 percent was Prairie Spring, about 0.9 percent was Extra Strong, 1.2 percent was Durum, only 0.2 percent was Soft White Spring wheat and 0.4 percent were other varieties.

The late planting and harvesting of the 2001 crop as well as downgrading due to fusarium resulted in a small portion of Manitoba's wheat crop grading 1 CW. The average protein content was about 15.4 percent for Hard Red Spring wheat and 13.6 percent for Durum, an improvement from the previous year.

Average wheat prices rose from $2.85 per bushel in 1993 to a record $5.60 per bushel for the 1995 crop, but fell over the next four years to $3.20 per bushel in 1999. In 2000 and 2001, average wheat prices rose to $3.26 and $3.78 per bushel respectively.

Estimated farm expenses for wheat production increased from $147.28 to $168.06 per acre from 1992 to 1996 but declined to $161.20 per acre in 1997. These expenses increased over the next two years, fell to $168.74 in 2000, but rose to $187.13 per acre in 2001. Estimated farm expenses comprise operating, labour and fixed costs.

Annual cash receipts from the sector showed an upswing from $426.8 million in 1992 to a record $675.8 million in 1996. More recently, farm cash receipts for wheat went up by 27 percent from $447.3 million in 2000 to $567.0 million in 2001. Manitoba's contribution to Canadian wheat receipts rose from 14.6 percent in 2000 to 16.5 percent in 2001.

Marketing:

Wheat marketings increased from 104.0 million bushels in 1995/96 to 138.3 million bushels in 1996/97, fell to 101.1 million bushels in 1998/99, rose to 138.6 million bushels in 2000/01, but fell again to 108.9 million bushels in 2001/02. Wheat carryover increased annually from 2.0 million bushels in 1997/98 to 9.2 million bushels at the end of the 2000/2001 crop year, but fell to 2.9 million bushels at the end of 2001/2002.

In 2001, there were seven classes of Canadian wheat offered on the world market. *Canada Western Red Spring (CWRS) Wheat* is a hard wheat with superior milling and baking quality offered at various guaranteed levels of protein content, while *Canada Western Red Winter (CWRW) Wheat* is also a hard wheat with excellent milling quality used for products such as French bread, flat bread and steamed bread and certain types of noodles. *Canada Western Amber Durum (CWAD) Wheat* produces a high yield of semolina with excellent pasta-making quality. *Canada Prairie Spring Red (CPSR) Wheat* is used for a wide range of products, such as hearth breads, flat breads, steamed breads and noodles. *Canada Prairie Spring White (CPSW) Wheat*, a medium strength wheat, can be used for flat breads, noodles and chapattis. *Canada Western Extra Strong (CWES) Wheat* has extra gluten suitable for blending purposes and for the production of hearth and pan breads. *Canada Western Soft White Spring (CWSWS) Wheat* is a soft wheat of medium-to-low protein content used for flat breads, noodles, steamed breads, chapattis, cookies, cakes and pastry.

Processing:

Wheat is processed into flour, cereal food and feed, pasta, bread and bakery products.

Manitoba has three flour mills, A.D.M, Milling Co. in Winnipeg, Harrison Milling and Grain Co. Ltd. in Holmfield and Prairie Flour Mills, constructed at Elie in 1997, the first new mill in the province for many years. These three mills and Pizzey's Milling and Baking Co. in Angusville as well as numerous bakeries employed over 1,000 people to produce an estimated $50 million worth of flour and cereals and $80 million of bread and bakery products. Local processors of fresh, frozen or dry pasta include Alfonso's Food Products Ltd. and Old Fashioned Noodle Products in Winnipeg and Ackron Egg Farms, Ltd. in Steinbach.

Grain is used to produce ethanol at a plant in Minnedosa, which provides mash for feed as by-product. The Dow Bio Products Ltd. (purchased from Isobord Enterprises in 2001) straw particle-board plant at Elie normally utilises about 205,000 tons of straw per year from the surrounding area. Straw purchases declined to 110,000 tons in 2000, but rose back up to 200,000 tons in 2001. The plant employs about 100 people.

Trade:

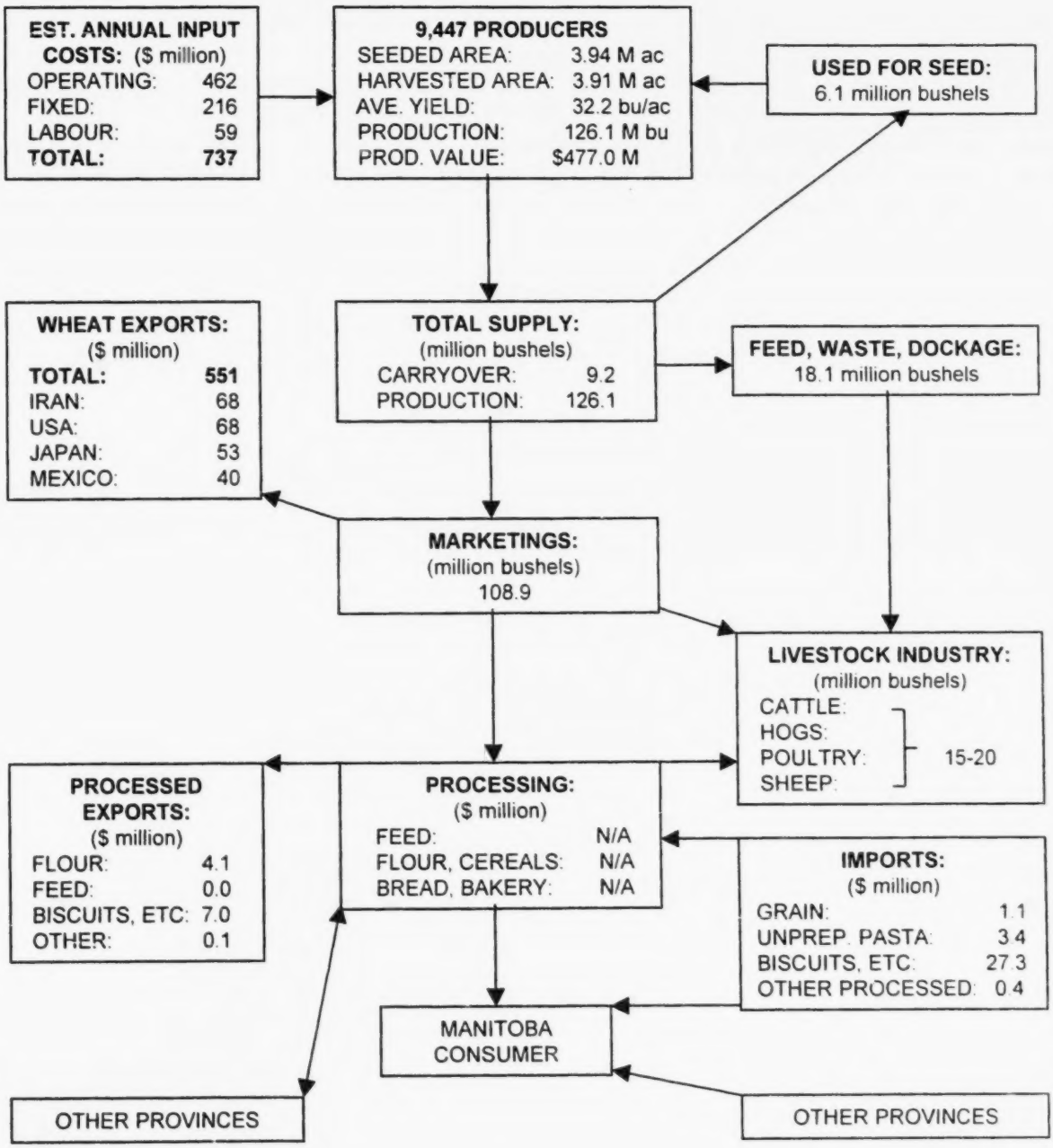
Manitoba wheat exports, sold to 66 other countries mostly in the unprocessed form, decreased from $526.7 million in 2000 to $550.7 million in 2001. Approximately 42 percent of the province's wheat exports in 2001 were shipped to the United States, Iran, Japan and Mexico.

Imports of processed wheat products, such as unprepared pasta and baked goods, were valued at $32.2 million in 2000, down from $41.0 million in 1999.

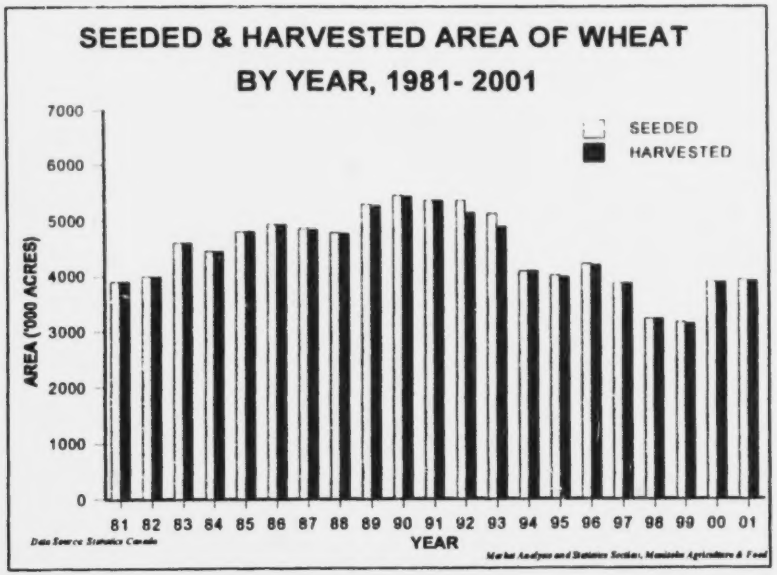
WHEAT AND WHEAT PRODUCTS SECTOR

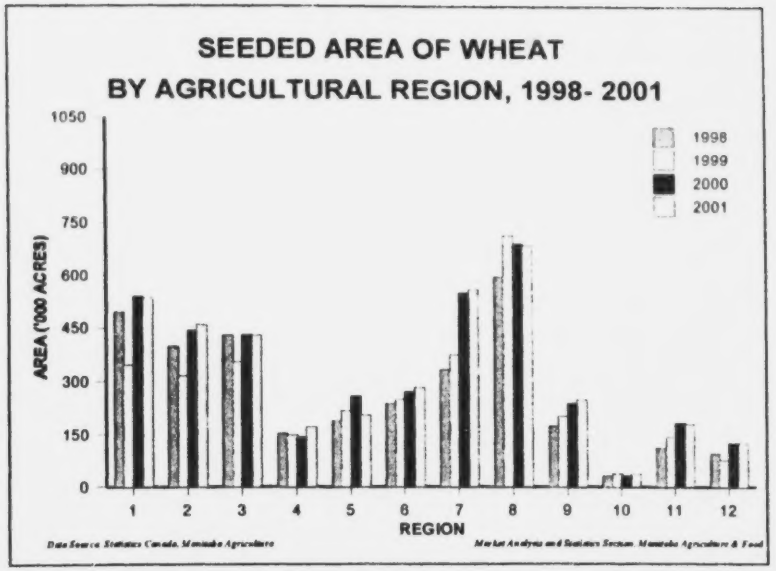
	1998[R]	1999[R]	2000[R]	2001	'01 as a % of '00
Estimated Number of Farms	10,000	9,800	9,500	9,447	99
CROP PRODUCTION:					
Seeded Area ('000 acres):	3,240	3,175	3,905	3,940	101
% of Canada	12.1	12.3	14.2	14.6	
Harvested Area ('000 acres):	3,230	3,145	3,885	3,910	101
Yield/acre (bushels):	36.6	36.9	40.3	32.2	80
Production (million bushels):	118.3	116.1	156.8	126.1	81
% of Canada	13.2	11.8	15.9	16.7	
Average Price ($/bu):	3.92	3.20	3.26	3.78	116
VALUE OF PRODUCTION ($ million):	463.4	373.0	511.7	477.0	93
ESTIMATED TOTAL EXPENSES ($/acre):	164.82	172.64	168.74	187.13	111
CASH RECEIPTS ($ million):	469.1	493.9	447.3	567.0	127
% of Canada	14.2	15.4	14.6	16.5	
EST. QUALITY (% protein content):	**98/99**	**99/2000**	**2000/01**	**2001/02**	
All CW Red Spring (CWRS):	14.6	14.2	14.2	15.4	108
1CWRS	14.3	14.1	14.1	15.1	107
2CWRS	14.7	14.2	14.3	15.4	108
3CWRS	14.6	14.2	14.1	15.7	111
CW Feed	14.9	N/A	N/A	N/A	
All CW Extra Strong (CWES)	13.0	N/A	N/A	N/A	
All Canada Prairie Spring Red (CPS)	N/A	N/A	N/A	N/A	
All CW Red Winter Wheat (CWRW)	N/A	N/A	N/A	N/A	
All CW Amber Durum (CWAD)	13.1	N/A	N/A	N/A	
CROP DISPOSITION (million bu):	120.3	119.4	160.1	135.2	84
Marketings	101.1	103.4	138.6	108.9	79
Seed Requirements	4.9	6.0	6.1	5.3	87
Feed, Waste & Dockage	11.0	6.6	6.2	18.1	221
Carryover, July 31	3.3	3.3	9.2	2.9	32
PROCESSING ($ million):					
Flour, Cereals, etc	50	N/A	N/A	N/A	-
Bread, Bakery products	80	N/A	N/A	N/A	-
EXPORTS ($ million):	460.0	464.0	526.7	550.7	105
Unprocessed	456.1	458.9	521.3	539.5	103
Processed	3.9	5.1	5.4	11.2	209
IMPORTS ($ million):	35.9	36.1	32.3	32.2	100
Unprocessed	0.001	0.011	0.28	1.08	386
Processed	35.9	36.1	32.0	31.1	97

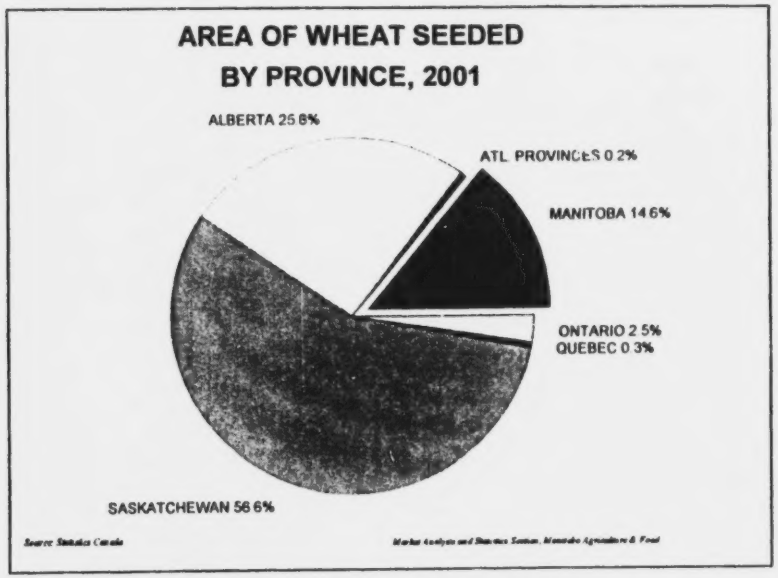
WHEAT INDUSTRY CHART, 2001

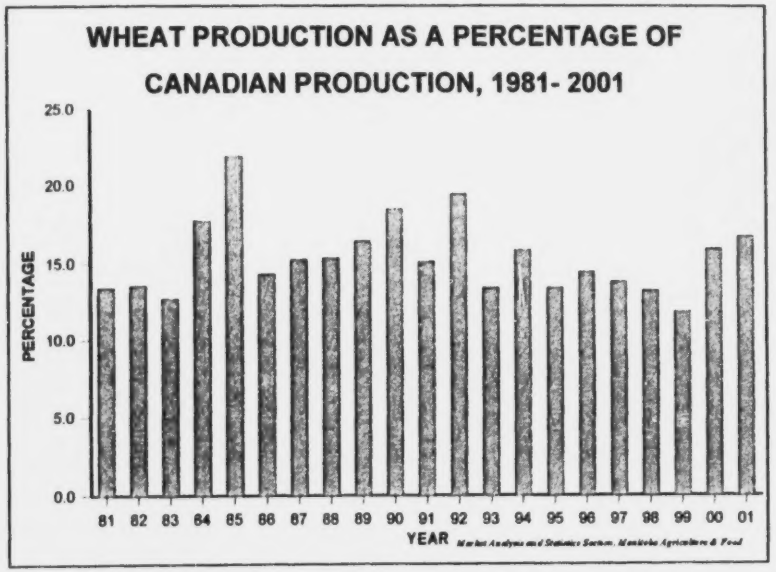


DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

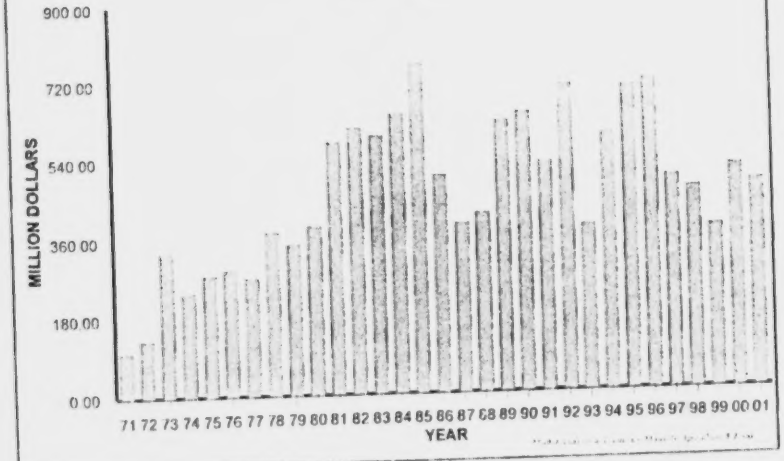

SEEDED & HARVESTED AREA OF WHEAT
BY YEAR, 1981- 2001
SEEDED
HARVESTED
AREA ('000 ACRES)
7000
6000
5000
4000
3000
2000
1000
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR


SEEDED AREA OF WHEAT
BY AGRICULTURAL REGION, 1998- 2001
1998
1999
2000
2001
AREA ('000 ACRES)
1050
900
750
600
450
300
150
0
1 2 3 4 5 6 7 8 9 10 11 12
REGION

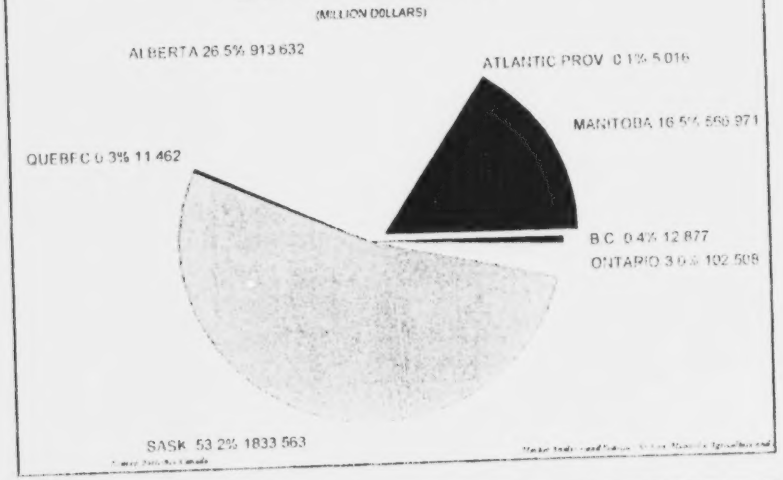

AREA OF WHEAT SEEDED
BY PROVINCE, 2001
ALBERTA 25 8%
ATL PROVINCES 0 2%
MANITOBA 14 6%
ONTARIO 2 5%
QUEBEC 0 3%
SASKATCHEWAN 56 6%


WHEAT PRODUCTION AS A PERCENTAGE OF
CANADIAN PRODUCTION, 1981- 2001
PERCENTAGE
25.0
20.0
15.0
10.0
5.0
0.0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR

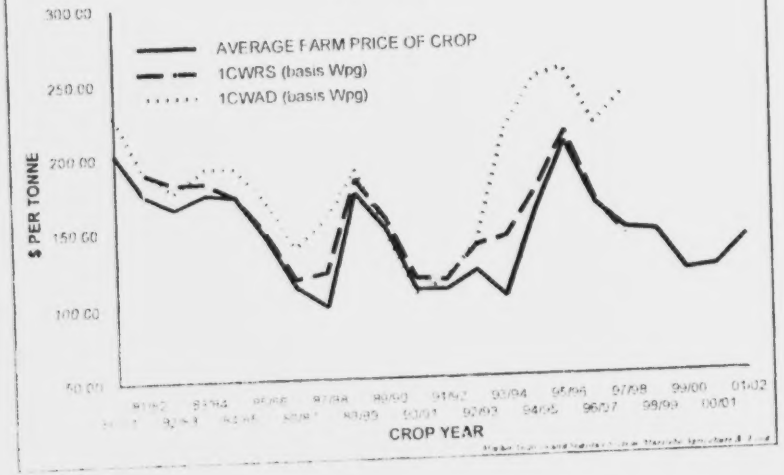
FARM VALUE OF WHEAT PRODUCTION
1971- 2001



FARM CASH RECEIPTS FROM WHEAT BY PROVINCE, 2001

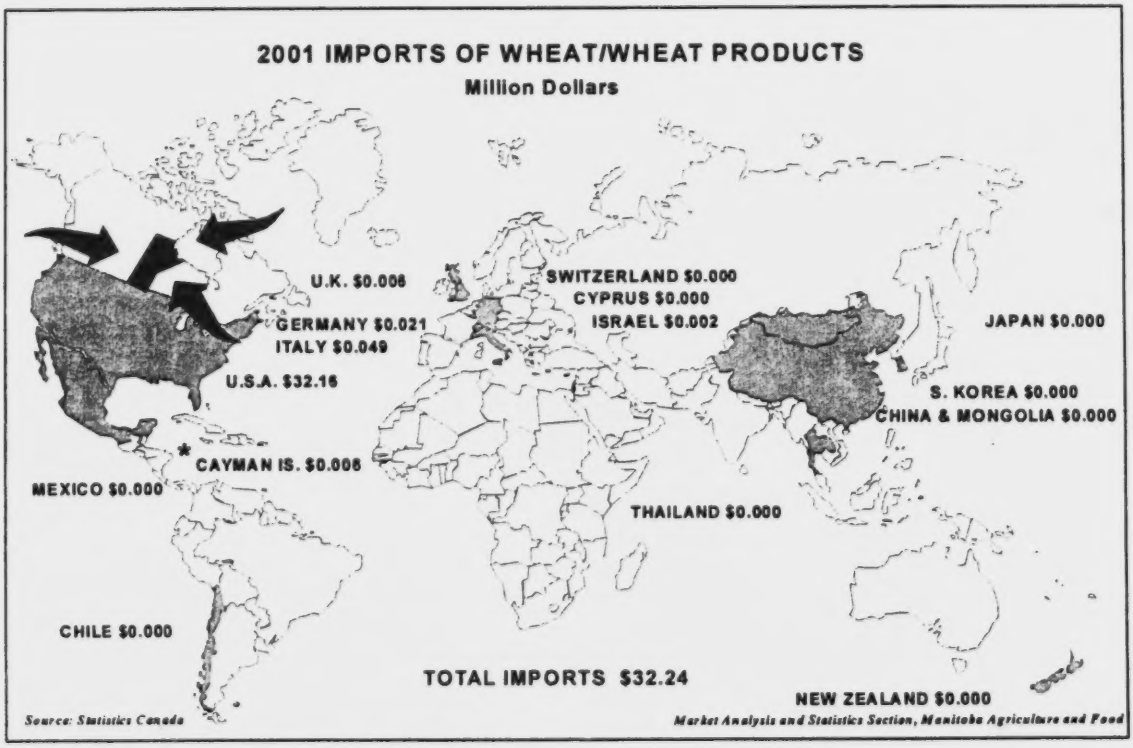


WHEAT PRICES
1981- 2001



MANITOBA WHEAT AND WHEAT PRODUCTS EXPORTS TO OTHER COUNTRIES, 1993- 2001

2001 EXPORTS OF WHEAT/WHEAT PRODUCTS
Million Dollars
U.K. $13.33
U.S.A. $67.91
MOROCCO $17.51
NIGERIA $11.79
GUATEMALA $10.33
MEXICO $39.63
COLOMBIA $22.72
ECUADOR $10.73
PERU $10.35
VENEZUELA $20.98
IRAN ISLAMIC REP. $67.52
EGYPT $10.18
UAE $7.60
BANGLADESH $8.64
THAILAND $9.19
JAPAN $52.70
S. KOREA $11.86
CHINA & MONGOLIA $23.83
PHILIPPINES $29.63
INDONESIA $24.33
TOTAL EXPORTS $550.71
(Top 20 of 66 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF WHEAT/WHEAT PRODUCTS
Million Dollars
U.K. $0.006
GERMANY $0.021
ITALY $0.049
U.S.A. $32.16
CAYMAN IS. $0.006
MEXICO $0.000
CHILE $0.000
SWITZERLAND $0.000
CYPRUS $0.000
ISRAEL $0.002
THAILAND $0.000
JAPAN $0.000
S. KOREA $0.000
CHINA & MONGOLIA $0.000
NEW ZEALAND $0.000
TOTAL IMPORTS $32.24
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

BARLEY SECTOR

BARLEY SECTOR PROFILE

Production:

The area seeded to barley in Manitoba peaked in 1981 at 2.4 million acres, of which 2.35 million acres were harvested. Barley production reached a record level of 116 million bushels in 1985, when the average yield was the second highest on record at 62.7 bushels per acre. The area planted to barley decreased in the late 1980s and 1990s to a 32-year low of 1.06 million acres in 1999. Over the past two years, the area seeded to barley decreased by 7.6 percent from 1.25 million acres in 2000 to 1.17 million acres in 2001.

The area of barley harvested in 2001 was 1.10 million acres, down from 1.19 million acres in 2000. About 56.7 million bushels were produced in 2001, a decline of 23.9 percent from the year before, but 51.1 percent below the record 1985 level. Manitoba contributed 11.3 percent of total Canadian barley production in 2001, down from 12.0 percent in 2000.

Yields averaged 51.5 bushels per acre in 2001, a decrease of 17.7 percent from the 2000 yield of 62.6 bushels per acre and 11.7 percent below the 10-year average of 58.3 bushels per acre. The largest average yield on record was 68.6 bushels per acre in 1992.

Average barley prices, which ranged from $1.75 to $3.55 per bushel in the past ten years, were record high in 1995. Average prices for the 2001 barley crop rose to $2.76 per bushel from $2.36 per bushel in 2000.

The total value of the Manitoba barley crop was highest in 1981, at $277.3 million, but dropped to a 22-year low of $99.3 million in 1993. Higher prices increased the value of the crop in 1994 and 1995. Despite higher prices in 2001/02, the decrease in production lowered the value of the barley crop by over 11 percent from $175.9 million in 2000 to $156.3 million in 2001.

Estimated total farm expenses for barley production rose to $166.30 per acre in 1999, declined to $162.53 per acre in 2000, but increased to $169.89 per acre in 2001. Total expenses included operating, labour and fixed costs.

Marketing:

Annual cash receipts from barley sales fluctuated over the past six years, increasing from $57.8 million in 1994 to $94.9 million in 1996, declining to $52.1 million in 1998 and $38.4 million in 1999, but rising to $92.2 million in 2001. Down from earlier years, Manitoba's contribution to Canadian barley receipts fell from 13.2 percent in 1993 to between 7.7 and 10.2 percent for the next seven years, but rose to 12.6 percent in 2001.

Most of the 2001 crop was feed quality and fed on farm or marketed "off-Board". Malting barley selections declined in 1997-1999, rose in 2000, but fell in 2001. Manitoba Designated barley comprised almost all of the barley marketed to the Canadian Wheat Board in 2001/02, up from 79 percent a year earlier, and about 36 percent of all barley marketed in 2001/02.

Barley marketings decreased to 18.8 million bushels in 1999/2000, increased to 36.4 million bushels in 2000/01, but declined to 29.7 million bushels in 2001/02. Barley carryover fell from 11.5 million bushels in 2000/01 to 6.9 million bushels in 2001/02. In 2001, about 22 percent of the barley crop was planted to higher-yielding feed varieties, with about 10 percent to hulless types (2- and 6-Row), about 42 percent to 6-Row and 26 percent to 2-Row barley. The 6-Row blue aleurone types are mainly for the domestic and U.S. markets. The portion sown to hulless barley, which has superior, lower fibre, feed

qualities has varied between 7.3 and 8.6 percent over the past few years. Manitoba farmers deliver some feed barley to Saskatchewan and grain and feed companies import barley from Saskatchewan into Manitoba.

Processing:

About 55-60 percent of the barley produced in Manitoba in 2001 was used for animal feed. About 18 percent of Manitoba's 2001 barley crop was selected for use by either the domestic or foreign food and beverage industries. Some of the selected or designated barley is processed into food, such as pot or pearl barley, the remainder being used for malt. Manitoba has one major maltster, Dominion Malting Ltd. Malt is either used by the province's breweries, such as Molson Canada and Fort Garry Brewing Co. Ltd., or exported.

Trade:

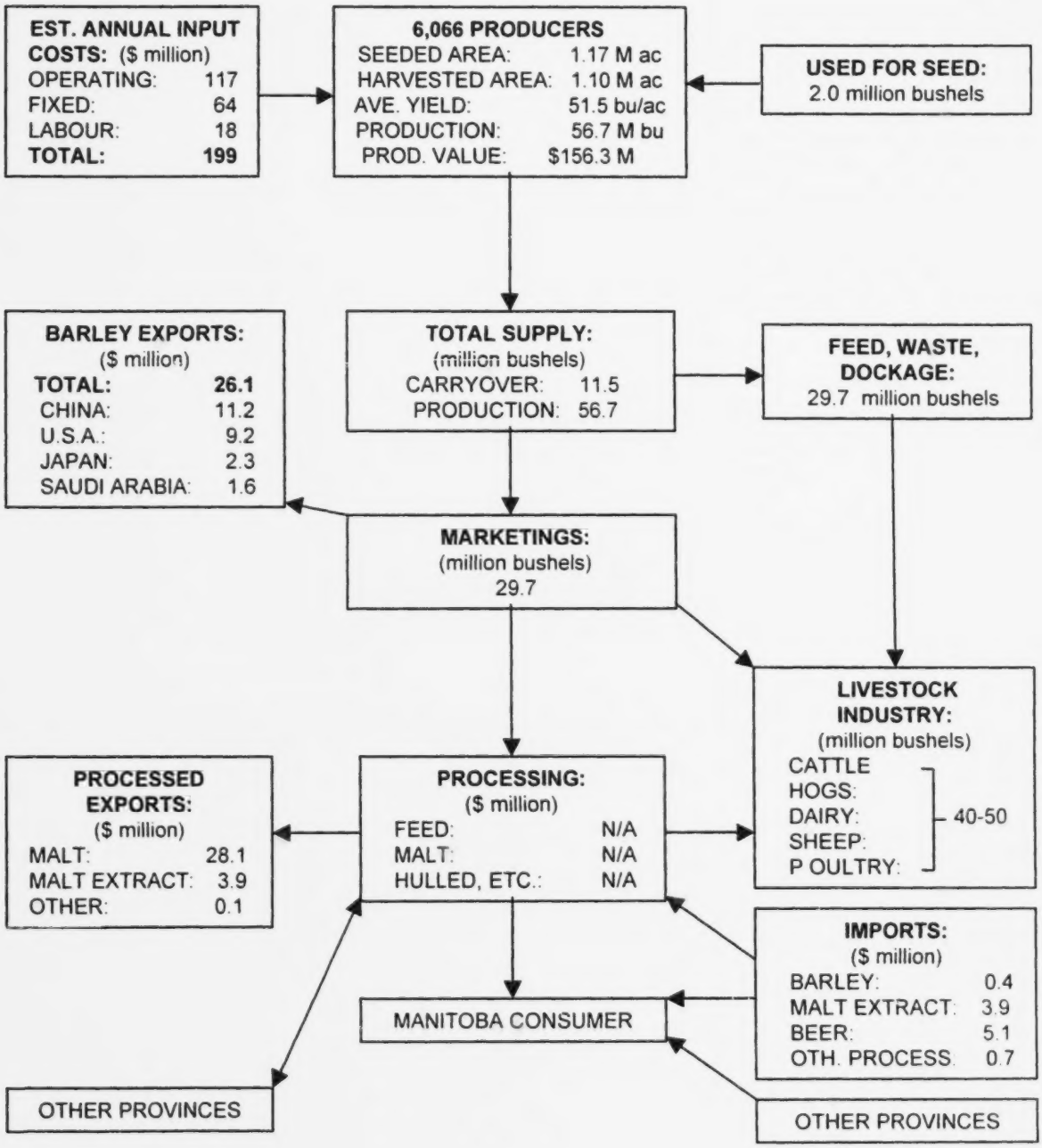
Manitoba barley exports to other countries, mainly malting barley and sold mostly in the unprocessed form, dropped from $73.7 million in 1997 to $50.6 million in 2000, but increased to $58.0 million in 2001. About 93 percent of the province's unprocessed barley exports were shipped to China, the United States, Japan and Saudi Arabia in 2001 with smaller amounts going to 14 other countries. About $28.1 million of Manitoba-produced malt and $3.9 million of malt extract were exported in 2001.

About $10.1 million of barley and malt were imported into Manitoba in 2001, down slightly from a year earlier.

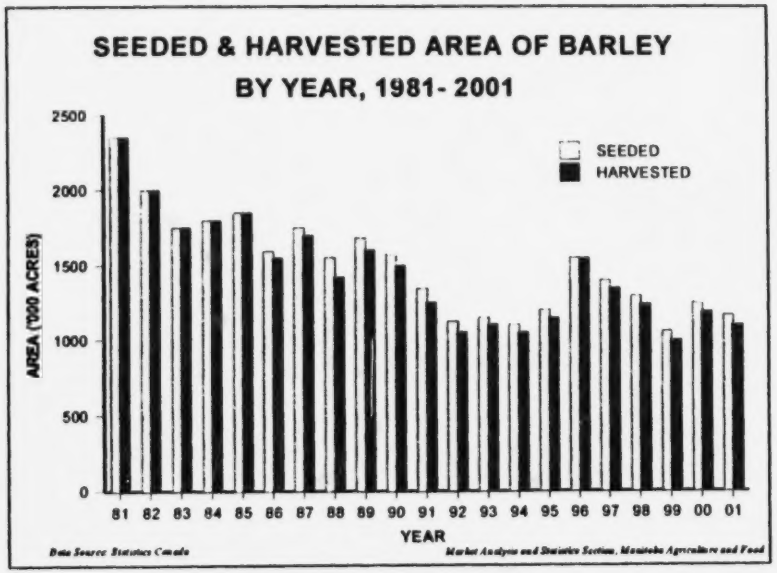
BARLEY AND BARLEY PRODUCTS SECTOR

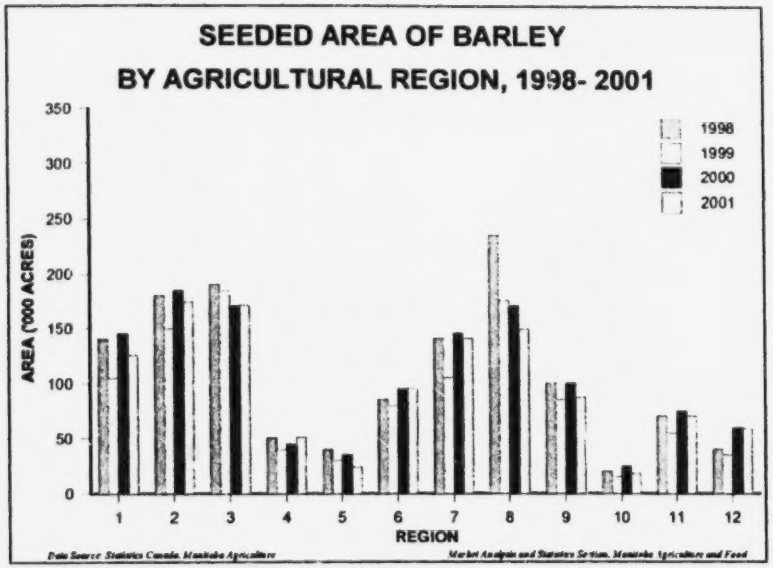
	1998	1999	2000[R]	2001[P]	'01 as a % of '00
Estimated Number of Farms	8,000	7,000	7,000	6,066	87
CROP PRODUCTION:					
Seeded Area('000 acres):	1,300	1,060	1,250	1,170	94
% of Canada	11.4	9.7	10.0	10.0	
Harvested Area ('000 acres):	1,240	1,000	1,190	1,100	92
Yield/acre (bushels)	60.4	55.8	62.6	51.5	82
Production (million bu):	74.9	55.8	74.5	56.7	76
% of Canada	12.8	9.2	12.0	11.3	
Average Price ($/bu):	2.05	1.95	2.36	2.76	117
VALUE OF PRODUCTION ($ million):	153.5	108.8	175.9	156.3	89
EST. TOTAL EXPENSES ($/acre):	160.99	166.30	162.53	169.89	105
CASH RECEIPTS ($ million):	51.9	38.3	45.1	92.2	205
% of Canada	9.1	7.6	7.7	12.6	
PLANTING DISTRIBUTION (%):	98/99	99/2000	2000/01	2001/02	
High-yield Feed	N/A	23.3	18.8	22.0	117
Hulless (2- and 6-Row)	7.5	8.4	7.4	10.0	135
6-Row	79.6	55.0	55.6	42.0	76
2-Row	12.9	13.3	18.2	25.9	142
CROP DISPOSITION (million bu):	86.4	67.3	82.8	68.2	82
Marketings: All Barley	21.4	18.8	36.4	29.7	82
Feed Barley	16.5	14.6	22.1	19.1	86
Designated Barley	4.9	4.2	14.3	10.6	74
Seed Requirements	1.8	2.1	2.0	1.9	95
Feed, Waste & Dockage	51.7	38.0	39.2	29.7	90
Carryover, July 31	11.5	8.3	11.5	6.9	60
EXPORTS ($ million):	54.2	50.3	50.6	58.0	115
Unprocessed	33.4	27.1	24.1	26.1	108
Processed	20.8	23.2	26.6	32.0	120
IMPORTS ($ million):	12.1	10.4	10.4	10.1	97
Unprocessed	0.8	0.2	0.3	0.4	133
Processed	11.2	10.2	10.1	9.7	96

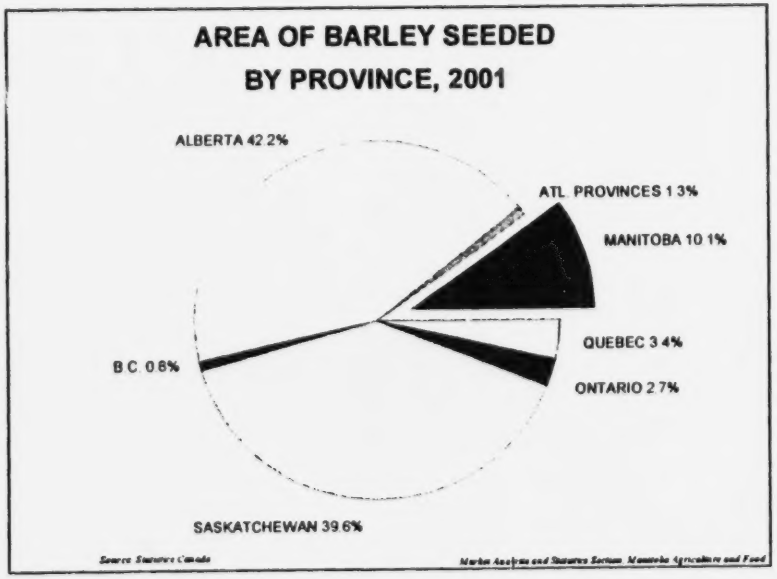
BARLEY INDUSTRY CHART, 2001

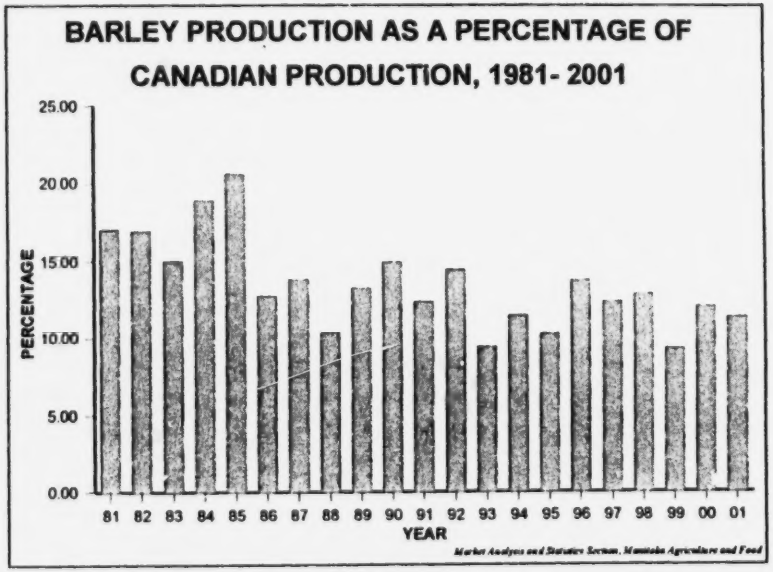


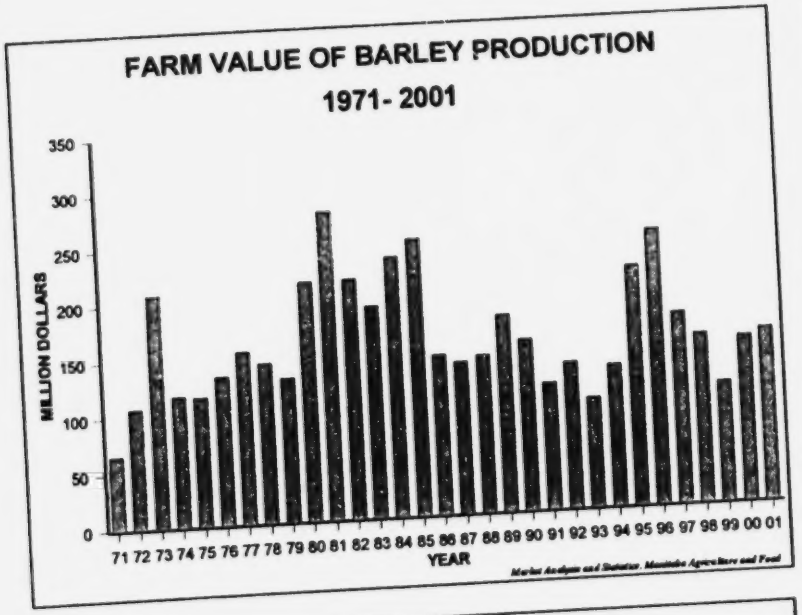
DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

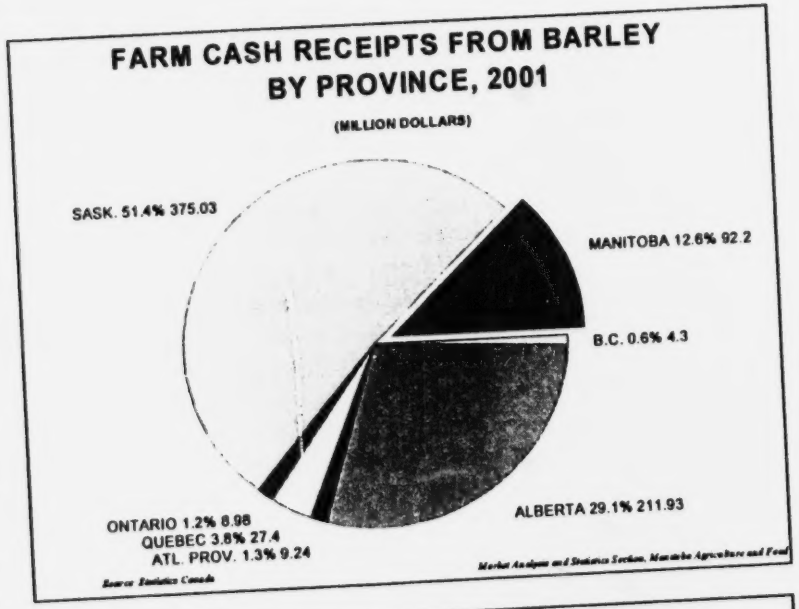

SEEDED & HARVESTED AREA OF BARLEY
BY YEAR, 1981- 2001
SEEDED
HARVESTED
AREA ('000 ACRES)
2500
2000
1500
1000
500
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR
Data Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

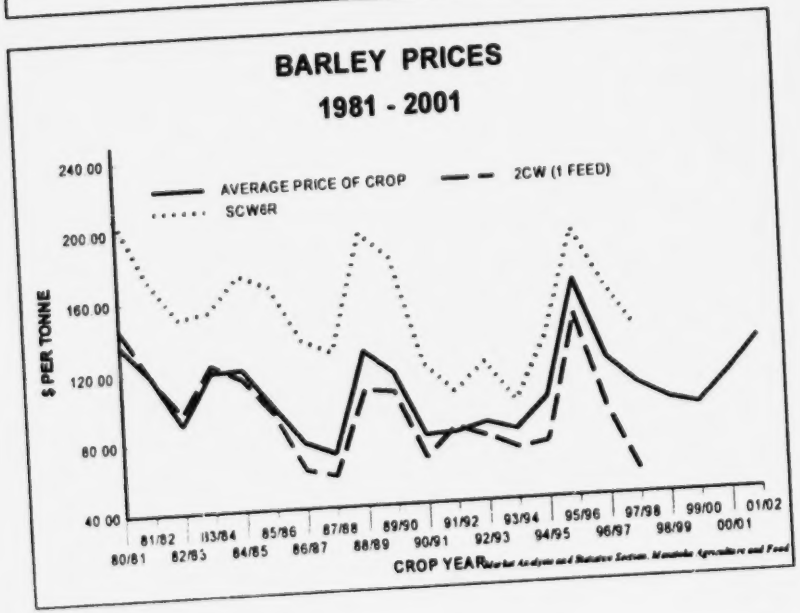

SEEDED AREA OF BARLEY
BY AGRICULTURAL REGION, 1998- 2001
1998
1999
2000
2001
AREA ('000 ACRES)
350
300
250
200
150
100
50
0
1 2 3 4 5 6 7 8 9 10 11 12
REGION
Data Source: Statistics Canada, Manitoba Agriculture
Market Analysis and Statistics Section, Manitoba Agriculture and Food

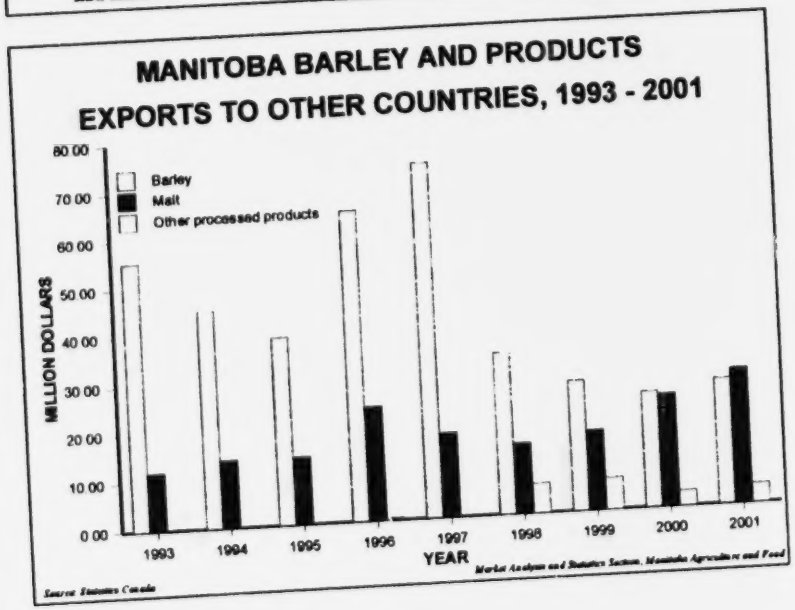

AREA OF BARLEY SEEDED
BY PROVINCE, 2001
ALBERTA 42.2%
ATL. PROVINCES 1.3%
MANITOBA 10.1%
QUEBEC 3.4%
ONTARIO 2.7%
B.C. 0.8%
SASKATCHEWAN 39.6%
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

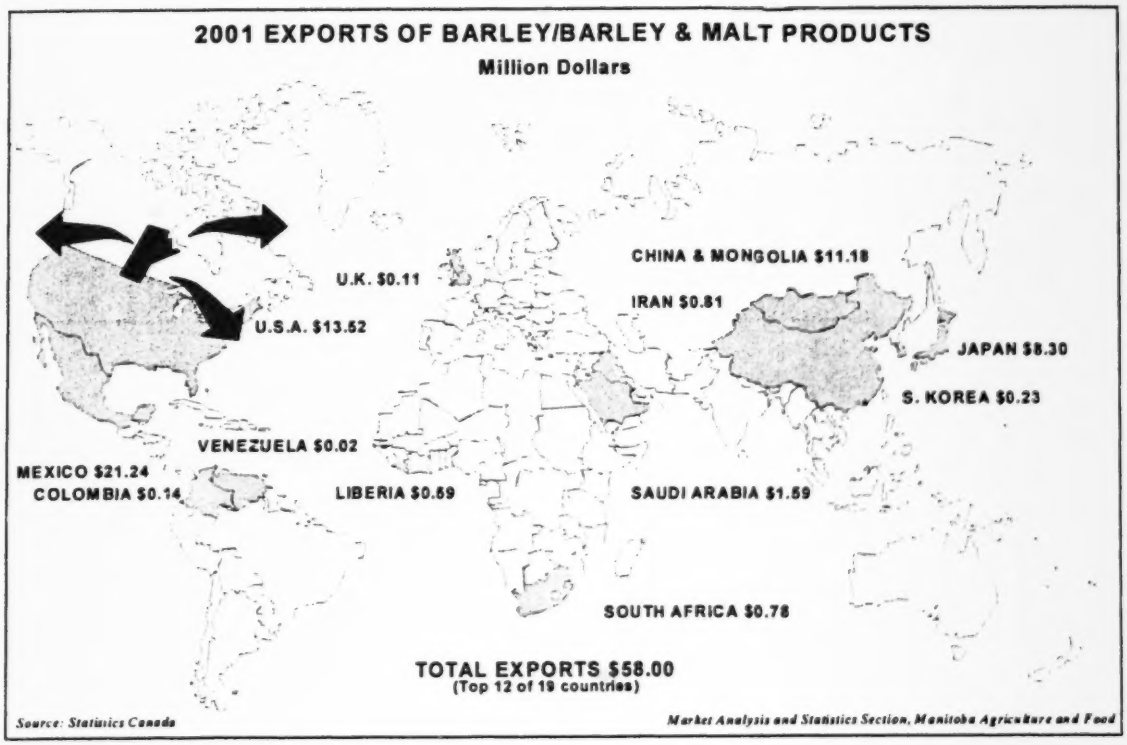

BARLEY PRODUCTION AS A PERCENTAGE OF
CANADIAN PRODUCTION, 1981- 2001
PERCENTAGE
25.00
20.00
15.00
10.00
5.00
0.00
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR
Market Analysis and Statistics Section, Manitoba Agriculture and Food

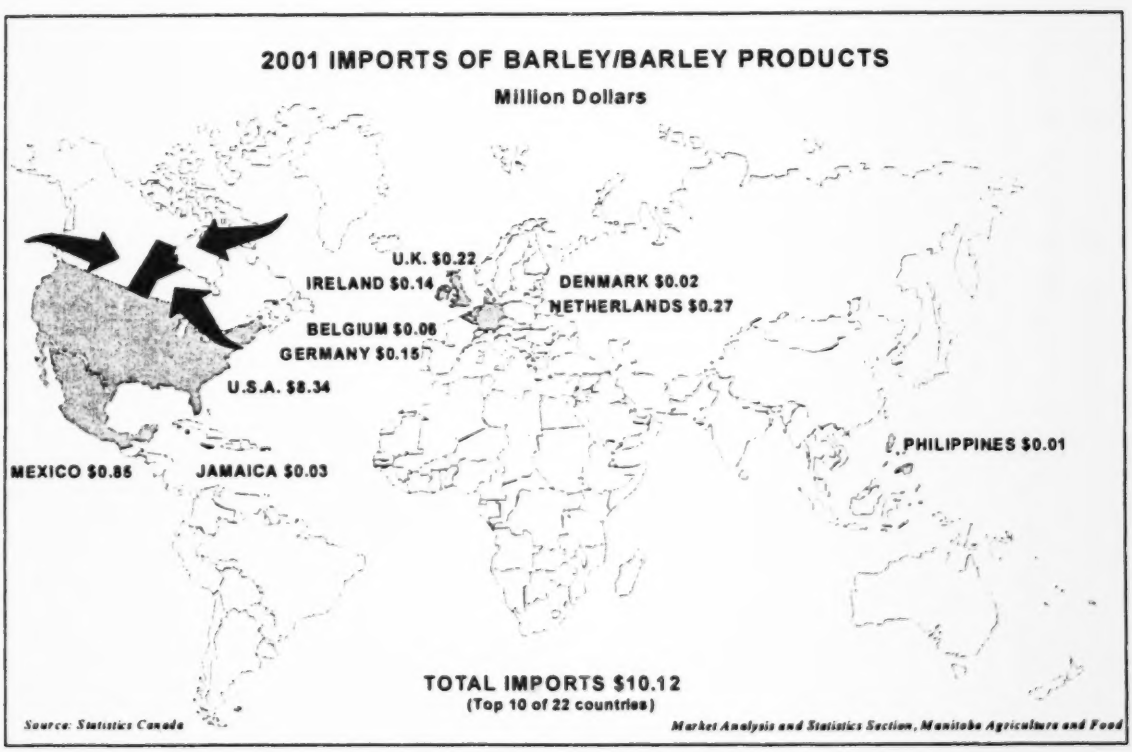

FARM VALUE OF BARLEY PRODUCTION
1971- 2001
MILLION DOLLARS
350
300
250
200
150
100
50
0
71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR


FARM CASH RECEIPTS FROM BARLEY
BY PROVINCE, 2001
(MILLION DOLLARS)
SASK. 51.4% 375.03
MANITOBA 12.6% 92.2
B.C. 0.6% 4.3
ALBERTA 29.1% 211.93
ONTARIO 1.2% 8.98
QUEBEC 3.8% 27.4
ATL. PROV. 1.3% 9.24


BARLEY PRICES
1981 - 2001
AVERAGE PRICE OF CROP
2CW (1 FEED)
SCW6R
$ PER TONNE
240.00
200.00
160.00
120.00
80.00
40.00
80/81 81/82 82/83 83/84 84/85 85/86 86/87 87/88 88/89 89/90 90/91 91/92 92/93 93/94 94/95 95/96 96/97 97/98 98/99 99/00 00/01 01/02
CROP YEAR


MANITOBA BARLEY AND PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993 - 2001
Barley
Malt
Other processed products
MILLION DOLLARS
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
1993 1994 1995 1996 1997 1998 1999 2000 2001
YEAR


2001 EXPORTS OF BARLEY/BARLEY & MALT PRODUCTS
Million Dollars
U.K. $0.11
U.S.A. $13.52
CHINA & MONGOLIA $11.18
IRAN $0.81
JAPAN $8.30
S. KOREA $0.23
VENEZUELA $0.02
MEXICO $21.24
COLOMBIA $0.14
LIBERIA $0.59
SAUDI ARABIA $1.59
SOUTH AFRICA $0.78
TOTAL EXPORTS $58.00
(Top 12 of 19 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF BARLEY/BARLEY PRODUCTS
Million Dollars
U.K. $0.22
IRELAND $0.14
DENMARK $0.02
NETHERLANDS $0.27
BELGIUM $0.06
GERMANY $0.15
U.S.A. $8.34
PHILIPPINES $0.01
MEXICO $0.86
JAMAICA $0.03
TOTAL IMPORTS $10.12
(Top 10 of 22 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

OAT SECTOR

OAT SECTOR PROFILE

Production:

The area of oats seeded and harvested in Manitoba was greatest in 1921 at 2.2 million acres. As the agricultural industry began to rely more on machinery and less on horses, the area of oats needed for animal feed declined over time. By 1991, only 384,000 acres were planted to oats, of which 270,000 acres were harvested for grain with the remainder being used for hay or silage. The popularity of oats for human consumption and pet food increased in the 1990s. Manitoba's oat plantings have shifted increasingly to new, very high-yielding varieties. In 2001, 910,000 acres of oats were seeded with 800,000 acres harvested for grain, down from 950,000 acres seeded and 860,000 acres harvested in 2000. From a peak production of 74.4 million bushels in 1922, oat production declined to 14.4 million bushels in 1991. The 2001 production of 48.5 million bushels was down by 26 percent from 2000. Manitoba contributed 30.0 percent of total Canadian oat production in 2000, but only 27.8 percent in 2001.

The average oat yield of 76.6 bushels per acre in 2000 was a new record, but the average yield declined to 60.6 bushels per acre in 2001, which was 12.7 percent below the 10-year average of 69.4 bushels per acre.

Average oat prices ranged from $1.30 to $2.25 per bushel over the previous ten years, but rose to a record high of $2.55 per bushel for the 2001 crop from $1.45 per bushel for the 2000 crop. The previous record was $2.33 per bushel for the drought-affected crop in 1988.

The total value of the Manitoba oat crop reached a record of $144.7 million in 1996, but the value in 2001 was $123.7 million. A 40-year low of $18.7 million occurred in 1991.

Estimated farm expenses for oat production, including operating, labour and fixed costs, rose from $140.51 per acre in 1997 to $157.06 per acre in 2001, an increase of 11.8 percent.

Marketing:

Annual cash receipts from the sector increased from $18.5 million in 1992 to a record $101.3 million in 2001. Farm cash receipts in 1999 and 2000 were $63.5 million and $68.2 million respectively. Manitoba's contribution to Canadian oat receipts rose from 18.9 percent in 1992 to 36.4 percent in 1999, but declined to 34.4 percent in 2001.

About 60 percent of oats produced in 2001 were Tan or high protein milling oats, 36 percent were White or pony/performance oats and 4 percent were other/general purpose oats.

Oat sales fell from 51.3 million bushels in 2000/01 to 38.9 million bushels in 2001/02. Oat carryover increased from 4.5 million bushels in 1997/98 to 9.7 million bushels at the end of the 1998/99 crop year, but was only 3.2 million bushels on July 31, 2002.

Processing:

Oats are processed into flour, rolled oats and oat bran by Can-Oat Milling Products, Inc. in Portage la Prairie. Emerson Milling processes oats for high-quality pet and horse feed.

Trade:

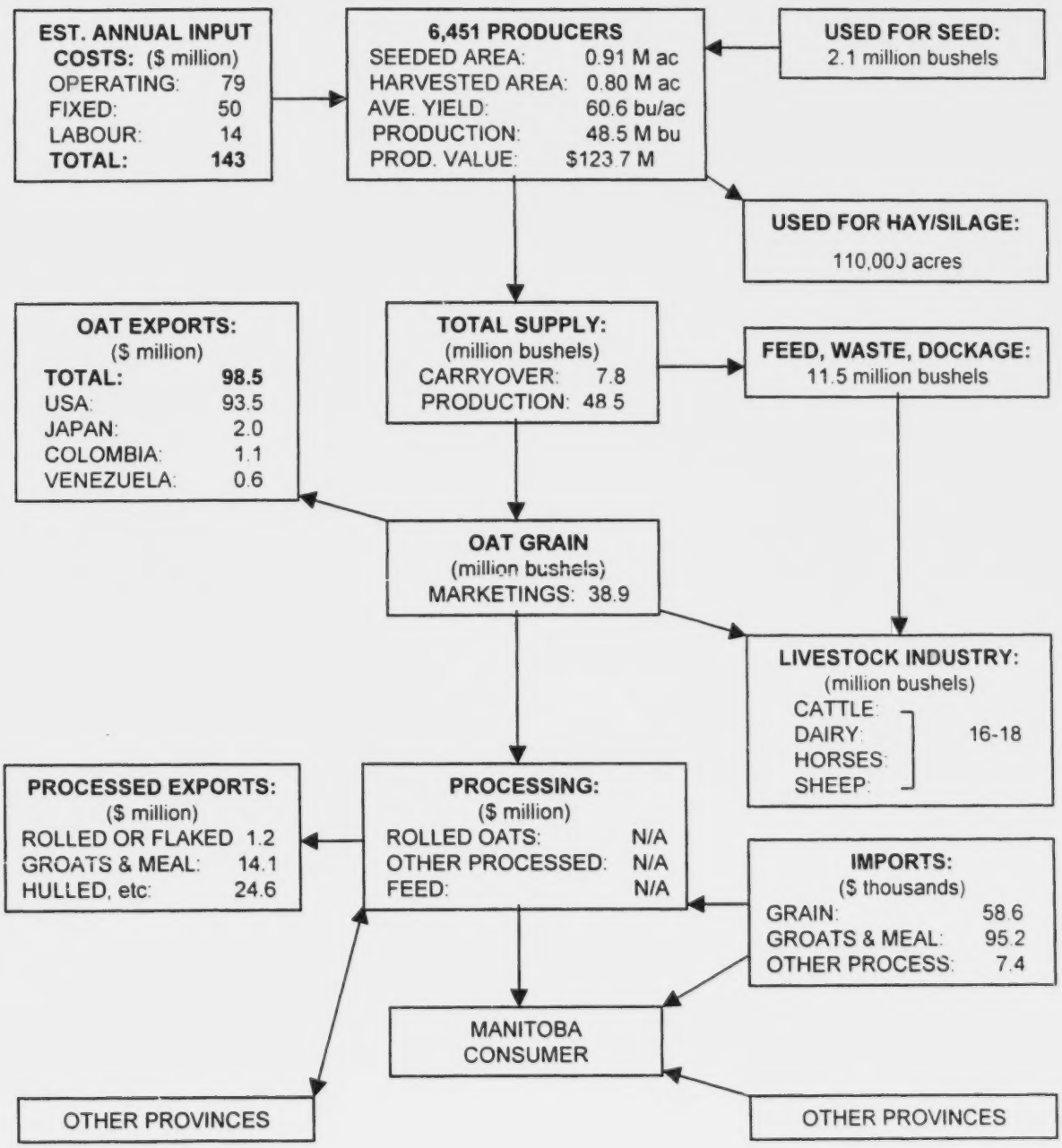
Unprocessed oat exports to other countries decreased in value from $89.5 million in 1997 to $66.0 million in 1999, but increased to $98.5 million in 2001. Manitoba oats have been increasingly popular for racehorses since the 1980s and more recently for milling, cereal and pet food products in the United States. Over 95 percent of the province's oat exports were shipped to the U.S.A. in 2001 with smaller amounts going to Japan, Colombia, Venezuela and 19 other countries. Oat flour, rolled oats, oat groats and oat bran exports totalled $39.9 million in 2001, most of which were sold to the U.S.A.

Imports of oats and processed oat products were valued at $161,200 in 2001, up from $72,300 in 2000, although a significant decrease from $506,700 in 1996.

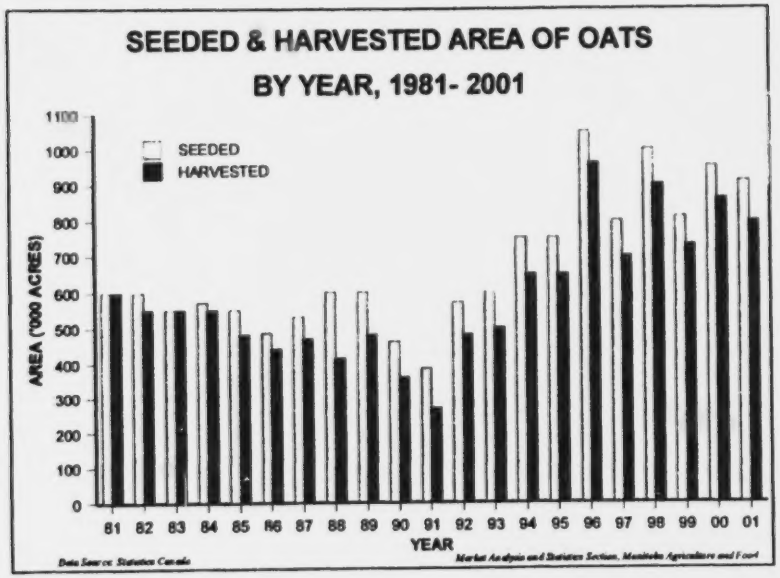
OATS AND OAT PRODUCTS SECTOR

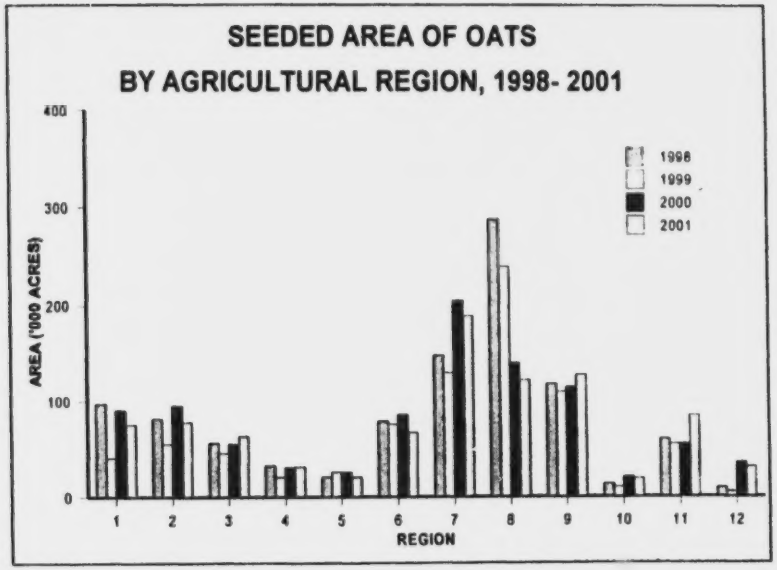
	1998	1999	2000[P]	2001	'01 as a % of '00
Estimated Number of Farms	8,000	7,000	8,000	6,451	81
CROP PRODUCTION:					
Seeded Area ('000 acres):	1,000	810	950	910	96
% of Canada	19.6	17.4	21.1	19.3	91
Harvested Area ('000 acres):	900	730	860	800	93
Yield/acre (bushels):	74.2	75.9	76.6	60.6	79
Production (million bu):	66.8	55.4	65.9	48.5	74
% of Canada	26.0	23.5	30.0	27.8	93
Average Price ($/bu):	1.70	1.39	1.45	2.55	176
VALUE OF PRODUCTION ($ million):	113.3	76.9	95.9	123.7	129
ESTIMATED TOTAL EXPENSES ($/acre):	141.87	150.85	146.75	157.06	107
CASH RECEIPTS ($ million):	62.3	63.5	68.2	101.3	149
% of Canada	32.2	36.4	34.8	34.4	
ESTIMATED DISTRIBUTION OF OAT PRODUCTION BY TYPE (%):	**98/99**	**99/2000**	**2000/01**	**2001/02**	
TAN (high protein milling oats)	65	68	63	60	95
WHITE (pony or performance oats)	21	22	31	36	116
OTHER (general purpose)	15	10	6	4	67
CROP DISPOSITION (million bu):	71.3	65.1	72.4	56.3	78
Marketings	39.7	46.7	51.3	38.9	76
Seed Requirements	1.9	2.2	2.1	2.7	129
Feed, Waste & Dockage	20.0	9.8	11.2	11.5	103
Carryover, July 31	9.7	6.5	7.8	3.2	41
EXPORTS ($ million):	93.5	101.8	114.6	138.4	121
Unprocessed	64.1	66.0	86.7	98.5	114
Processed	29.4	35.8	27.9	39.9	143
IMPORTS ($ thousand):	73.4	36.9	72.3	161.2	223
Unprocessed	65.4	3.5	23.3	58.6	252
Processed	8.0	33.4	49.0	102.6	209

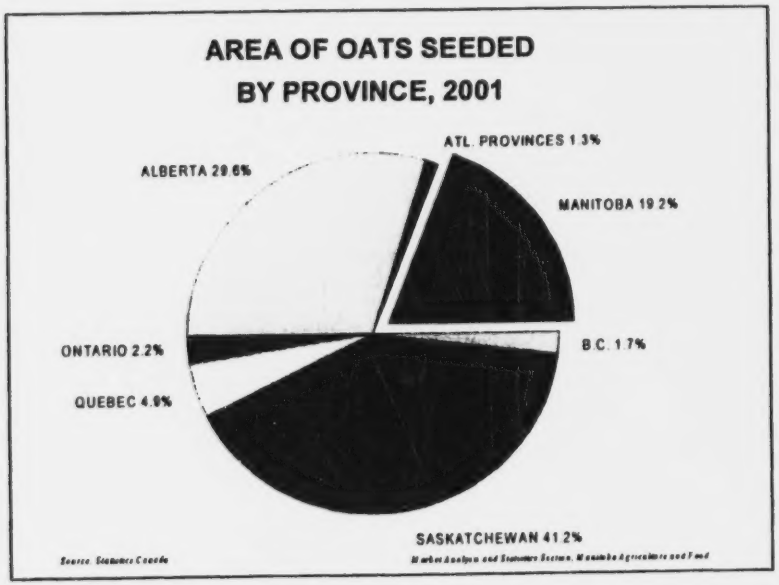
OAT INDUSTRY CHART, 2001

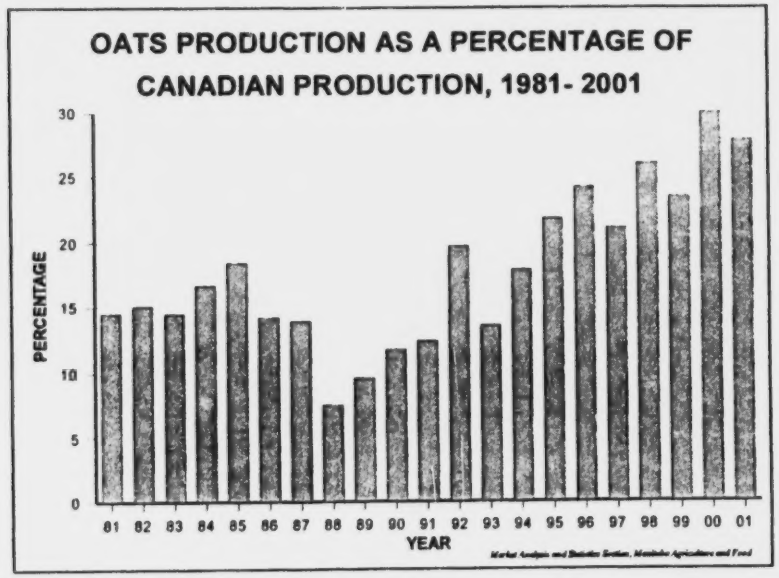


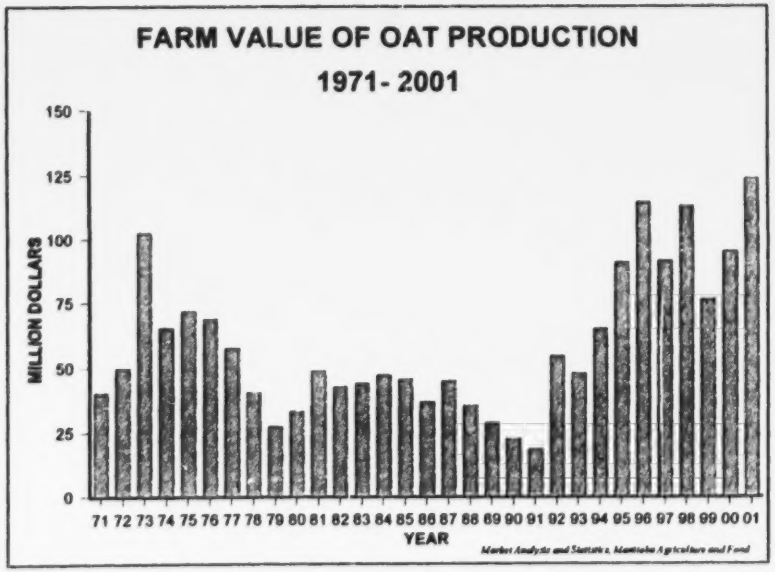
DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

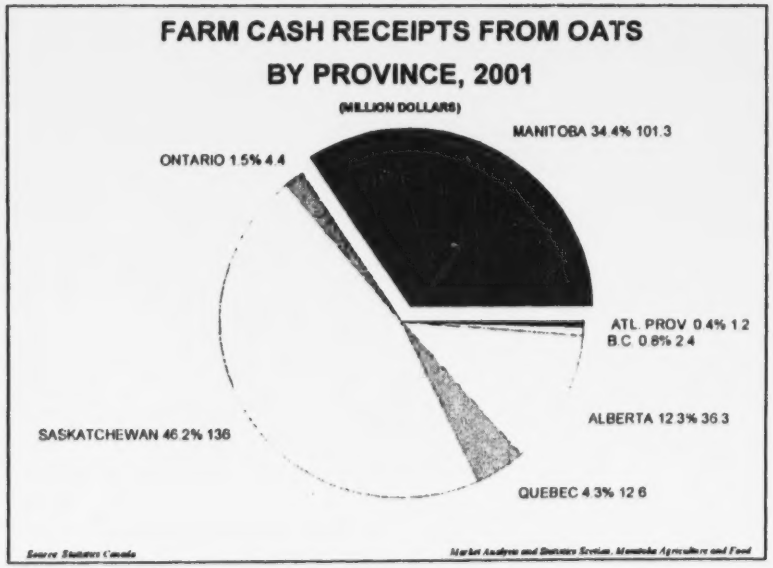

SEEDED & HARVESTED AREA OF OATS
BY YEAR, 1981- 2001
SEEDED
HARVESTED
AREA ('000 ACRES)
1100
1000
900
800
700
600
500
400
300
200
100
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR

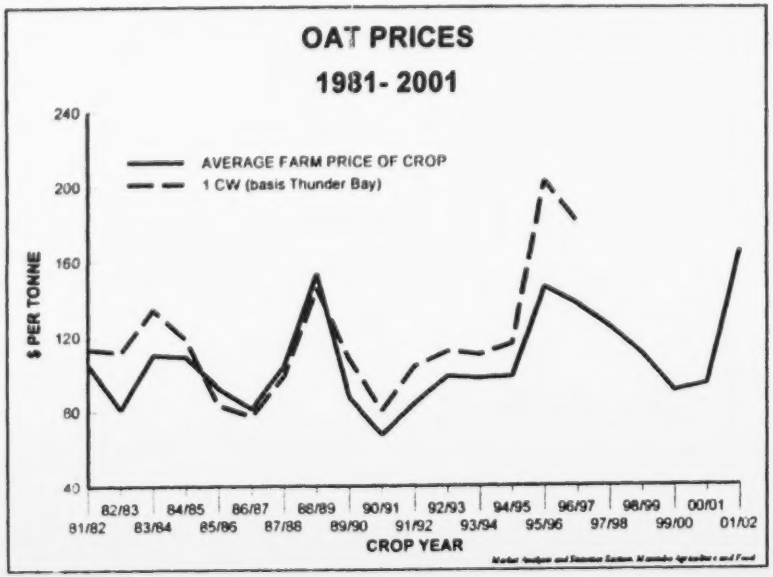

SEEDED AREA OF OATS
BY AGRICULTURAL REGION, 1998- 2001
1998
1999
2000
2001
AREA ('000 ACRES)
400
300
200
100
0
1 2 3 4 5 6 7 8 9 10 11 12
REGION

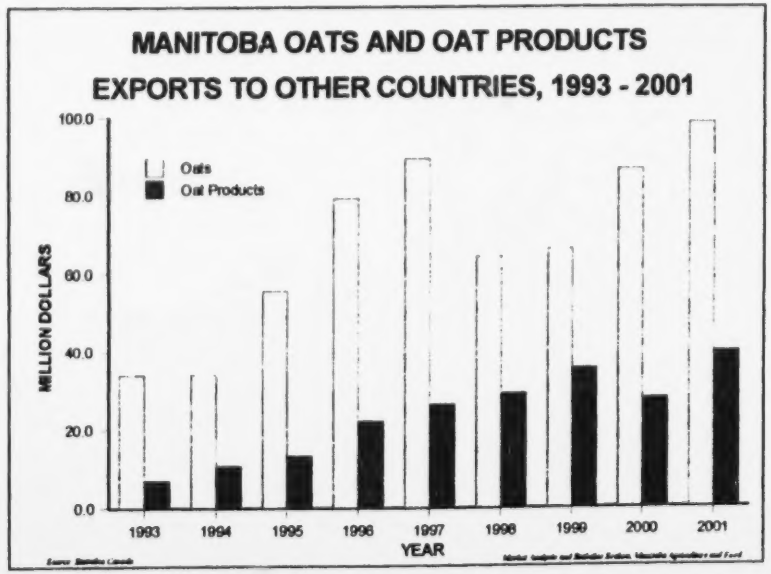

AREA OF OATS SEEDED
BY PROVINCE, 2001
ATL. PROVINCES 1.3%
ALBERTA 29.6%
MANITOBA 19.2%
B.C. 1.7%
ONTARIO 2.2%
QUEBEC 4.9%
SASKATCHEWAN 41.2%

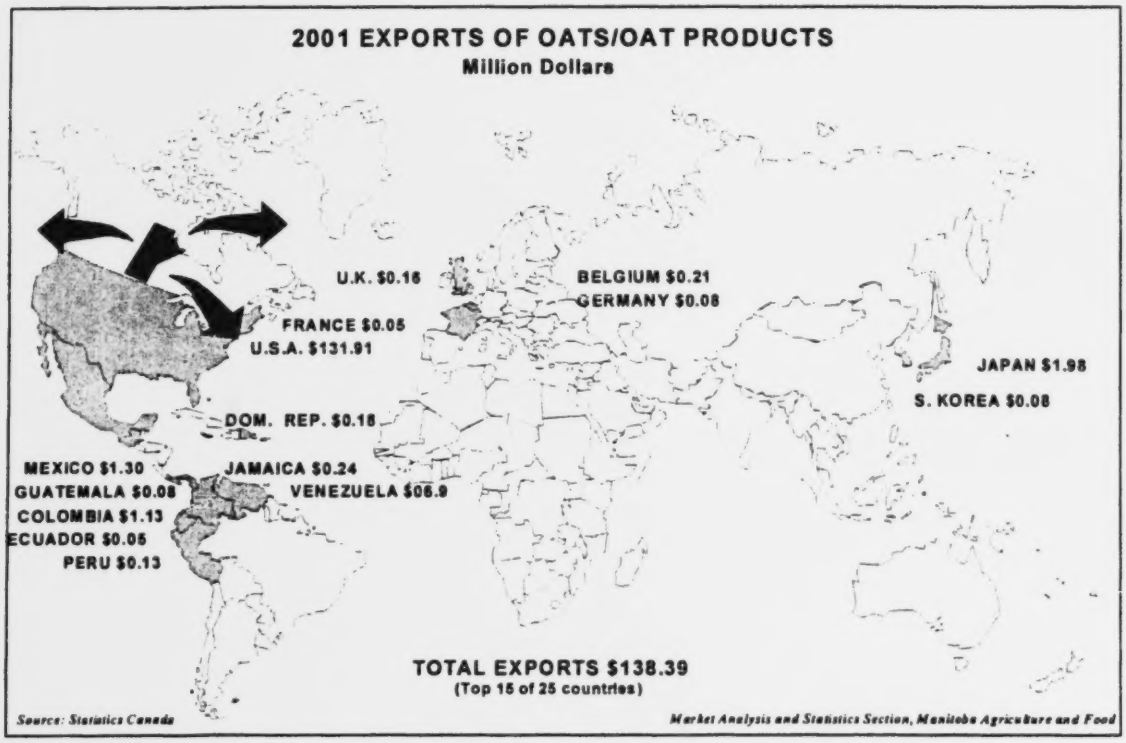

OATS PRODUCTION AS A PERCENTAGE OF
CANADIAN PRODUCTION, 1981- 2001
PERCENTAGE
30
25
20
15
10
5
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR

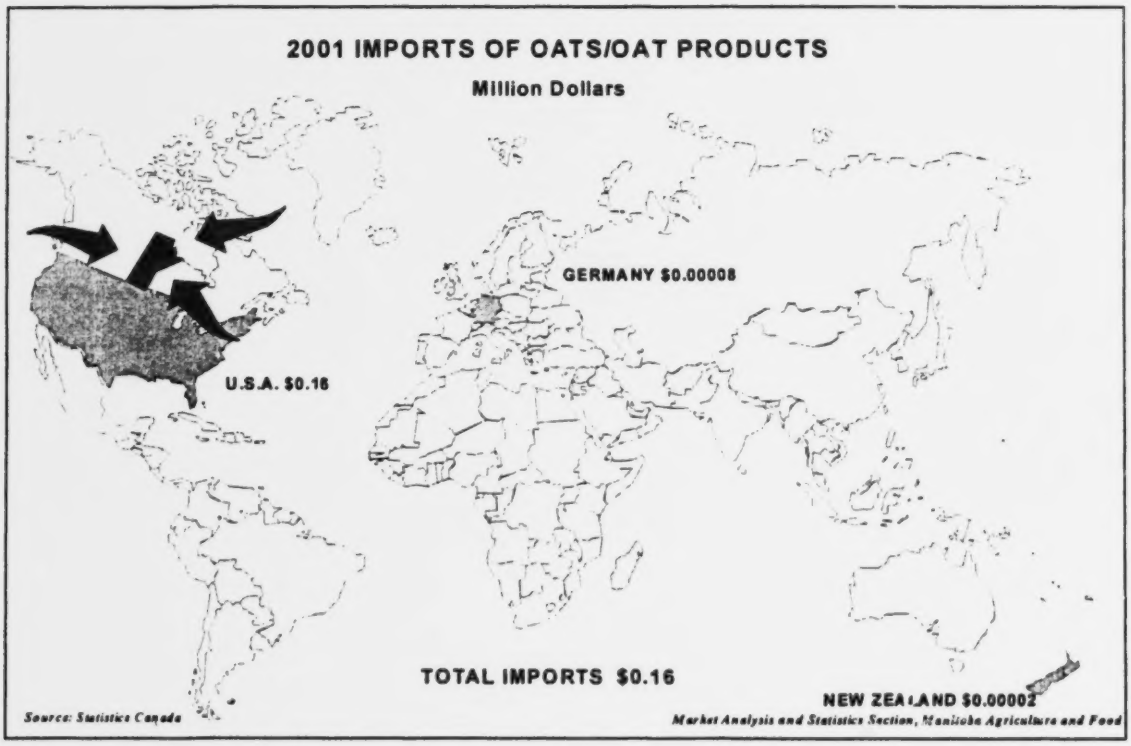

FARM VALUE OF OAT PRODUCTION
1971- 2001
MILLION DOLLARS
150
125
100
75
50
25
0
71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR


FARM CASH RECEIPTS FROM OATS
BY PROVINCE, 2001
(MILLION DOLLARS)
MANITOBA 34.4% 101.3
ONTARIO 1.5% 4.4
ATL. PROV 0.4% 1.2
B.C 0.8% 2.4
ALBERTA 12.3% 36.3
SASKATCHEWAN 46.2% 136
QUEBEC 4.3% 12.6

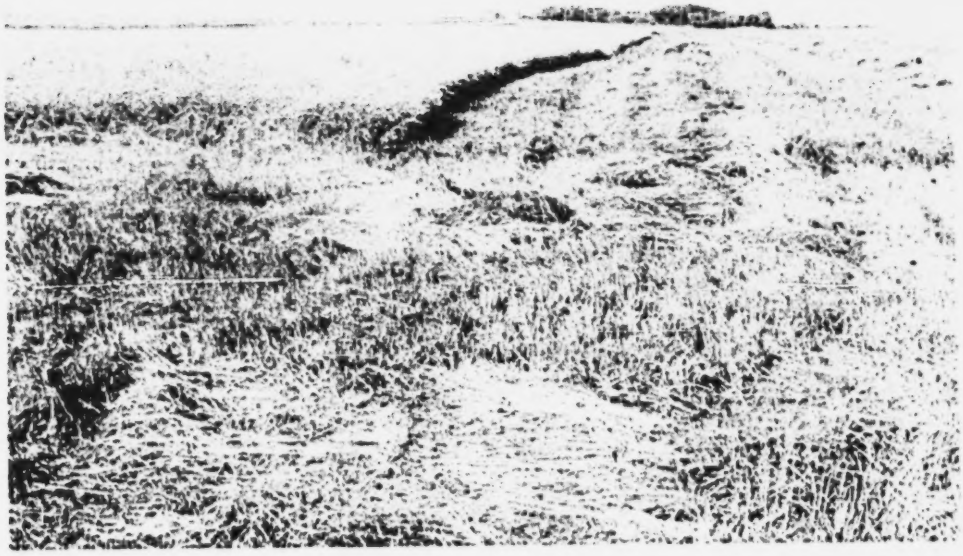

OAT PRICES
1981- 2001
AVERAGE FARM PRICE OF CROP
1 CW (basis Thunder Bay)
$ PER TONNE
240
200
160
120
80
40
81/82 82/83 83/84 84/85 85/86 86/87 87/88 88/89 89/90 90/91 91/92 92/93 93/94 94/95 95/96 96/97 97/98 98/99 99/00 00/01 01/02
CROP YEAR


MANITOBA OATS AND OAT PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993 - 2001
Oats
Oat Products
MILLION DOLLARS
100.0
80.0
60.0
40.0
20.0
0.0
1993 1994 1995 1996 1997 1998 1999 2000 2001
YEAR


2001 EXPORTS OF OATS/OAT PRODUCTS
Million Dollars
U.K. $0.16
BELGIUM $0.21
GERMANY $0.08
FRANCE $0.05
U.S.A. $131.91
JAPAN $1.98
S. KOREA $0.08
DOM. REP. $0.18
MEXICO $1.30
JAMAICA $0.24
GUATEMALA $0.08
VENEZUELA $06.9
COLOMBIA $1.13
ECUADOR $0.05
PERU $0.13
TOTAL EXPORTS $138.39
(Top 15 of 25 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF OATS/OAT PRODUCTS
Million Dollars
GERMANY $0.00008
U.S.A. $0.16
TOTAL IMPORTS $0.16
NEW ZEALAND $0.00002
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

RYE SECTOR



RYE SECTOR PROFILE

Production:

Manitoba producers have been growing rye since the early 1900s. The area of rye seeded and harvested has varied over the years, reaching a record 230,000 acres in 1982 and 1989. Low prices relative to alternative crops in 1990 led to declining areas planted to rye in the early 1990s and, by 1994, only 40,000 acres were seeded. Prices improved and the area increased to120,000 acres in 1998, but declined to 80,000 acres in 1999, partly due to excess soil moisture in the south-west, which hampered seeding. Low prices prompted a further reduction in seeded area to 55,000 acres and 45,000 acres in 2000 and 2001 respectively. From a peak production of 8.4 million bushels in 1982, rye production declined to 1.5 million bushels in 1994. Down by 32 percent from the previous year, the 2001 crop of 1.485 million bushels was the lowest in 40 years. Manitoba produced 16.6 percent of the Canadian rye crop in 2001.

The average yield in 2001 was 33 bushels per acre, down from the record 40 bushels per acre in 2000 and also below the 10-year average of 34.3 bushels per acre.

Average rye prices ranged from $1.47 per bushel to $4.34 per bushel during the period, 1980 to 2000. The price decline from $3.90 per bushel in 1997 to $1.71 per bushel in 1999 was partly due to less of the crop being used for milling and more for feed. Prices rose from an average of $1.78 per bushel in 2000 to $3.00 per bushel in 2001.

The total value of the Manitoba rye crop was highest in 1981, at $25.91 million, but fell to an eight-year low of $3.77 million in 1993. The smaller 2001 crop was more than offset by higher prices resulting in a 15 percent rise in the value of rye production from $3.93 million in 2000 to $4.45 million in 2001.

Estimated farm expenses for rye production, including operating, labour and fixed costs, rose from $129.03 per acre in 1992 to $144.37 per acre in 2000 and $164.96 in 2001.

Marketing:

Annual cash receipts from the sector increased from $2.9 million in 1993 to $10.1 million in 1996, but declined to $3.9 million in 2001. Manitoba's contribution to Canadian rye receipts rose from 14.0 percent in 1993 to 30.3 percent in 1999, but declined to 24.7 percent in 2001.

Rye is used for baking and flavouring as well as for livestock feed. Previous years' harvest surveys conducted by the Canadian Grain Commission show fairly high protein levels for the rye crop.

Rye sales increased from 1.24 million bushels in 1993/94 to 3.05 million bushels in 1998/99, but declined each year following to 1.13 million bushels in 2001/02. Rye carryover fell from 1.18 million bushels on July 31, 1999 to 0.39 million bushels two and three years later.

Processing:

Most Manitoba bakeries produce rye bread. Small quantities of rye malt are used to flavour the rye whiskey produced in Manitoba.

Trade:

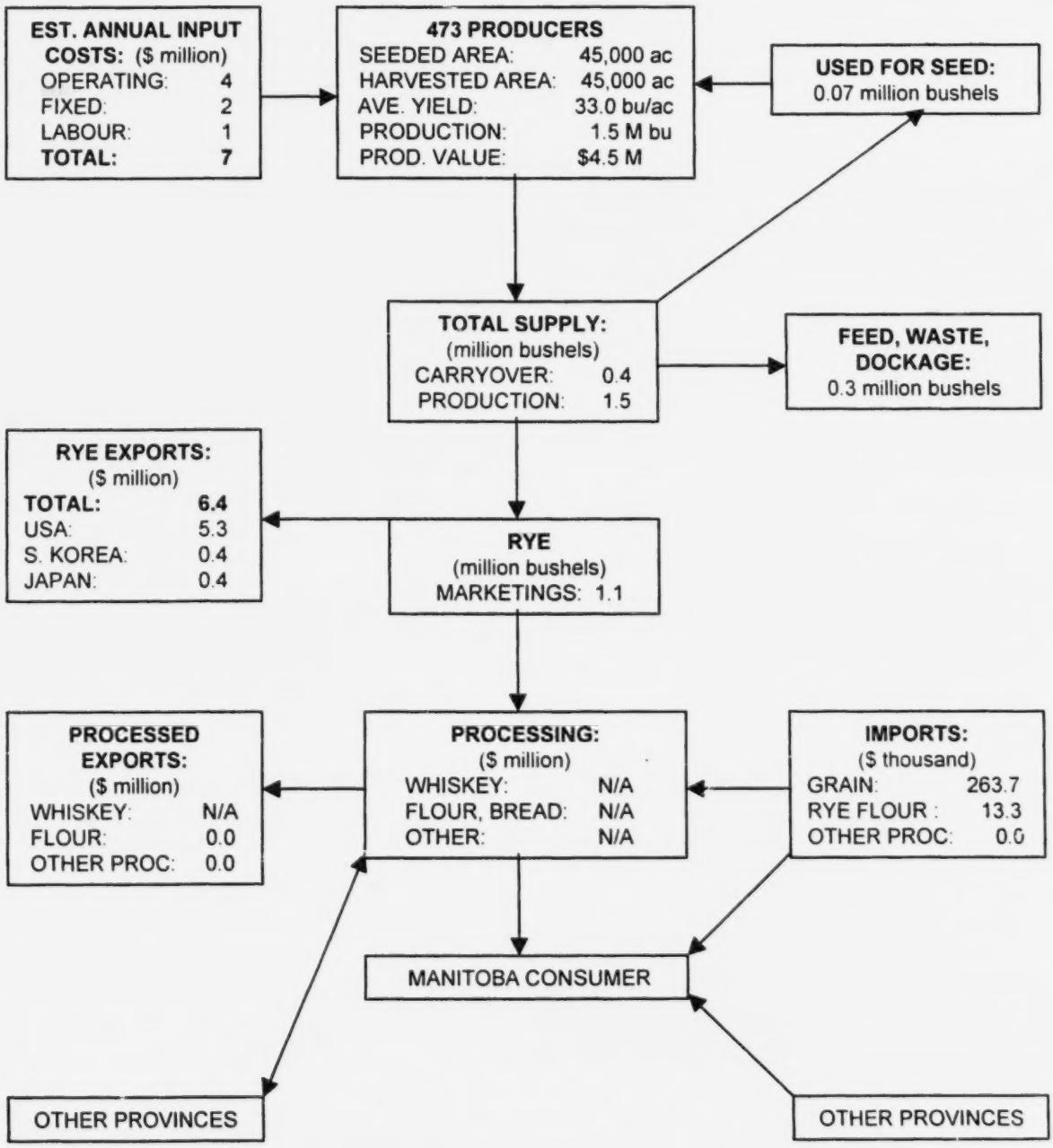
Unprocessed rye exports to other countries increased in value from $4.3 million in 1999 to $6.4 million in 2001. The United States was the primary market for Manitoba product in 2001 with small amounts going to South Korea, Japan and five other countries. Minimal amounts of rye flour, valued at $12,500, were exported to Belgium in 1996, but none was exported in the next four years.

Imports of unprocessed rye from the United States increased in value from $218,900 in 1999 to $657,600 in 2000, but fell to $263,700 in 2001. Imports of rye flour fell from $14,300 in 2000 to $13,300 in 2001.

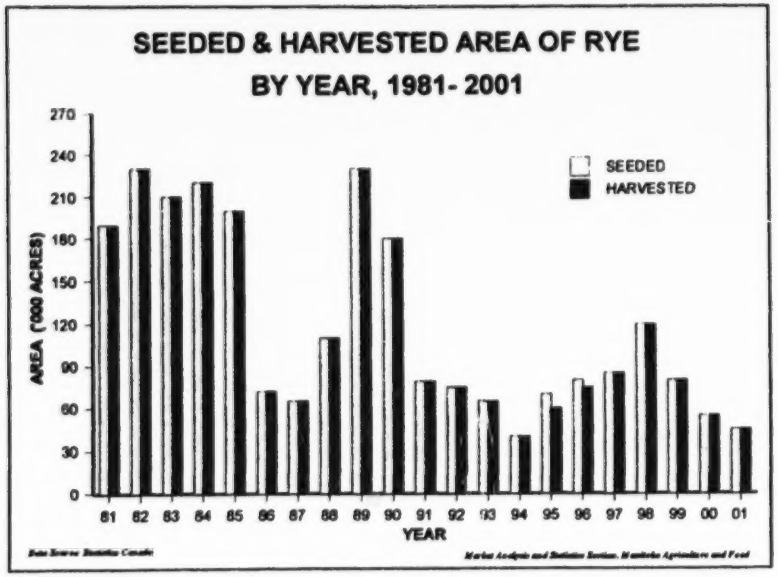
RYE AND RYE PRODUCTS SECTOR

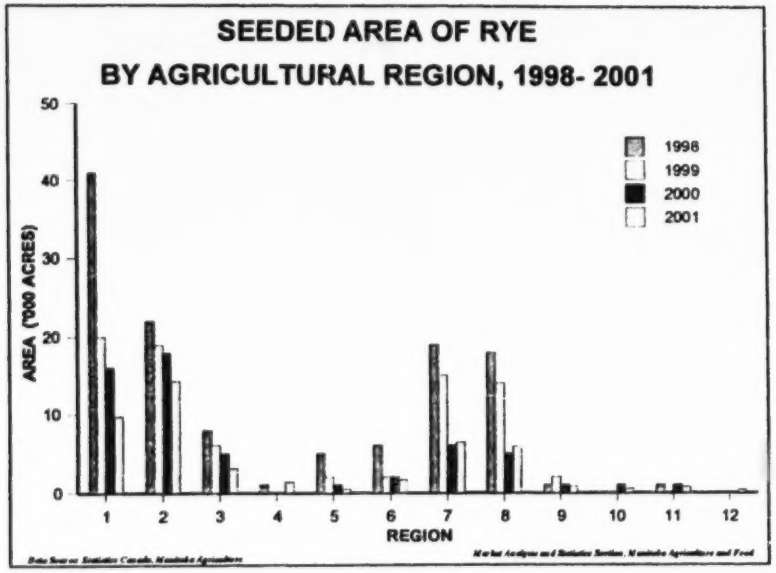
	1998	1999	2000[R]	2001[P]	'01 as a % of '00
Estimated Number of Farms	900	760	520	473	91
CROP PRODUCTION:					
Seeded Area ('000 acres):	120	80	55	45	82
% of Canada	21.3	17.3	14.9	12.2	82
Harvested Area ('000 acres):	120	80	55	45	82
Yield/acre (bushels):	35.0	37.5	40.0	33.0	83
Production (million bushels):	4.2	3.0	2.2	1.5	68
% of Canada	26.8	19.7	21.5	16.6	77
Average Price ($/bu):	2.33	1.71	1.78	3.00	169
VALUE OF PRODUCTION ($ million):	9.8	5.1	3.9	4.5	115
ESTIMATED TOTAL EXPENSES ($/acre):	148.18	148.80	144.37	164.96	114
CASH RECEIPTS ($ million):	5.2	5.2	4.6	3.9	85
% of Canada	26.1	30.3	30.0	24.7	
ESTIMATED QUALITY OF RYE CROP (% protein content):	**98/99**	**99/2000**	**2000/01**	**2001/02**	
All Grades	N/A	N/A	N/A	N/A	
1CW	N/A	N/A	N/A	N/A	
2CW	N/A	N/A	N/A	N/A	
3CW	N/A	N/A	N/A	N/A	
CROP DISPOSITION (thousand bu.):	4,240	4,181	2,987	1,874	63
Marketings	3,050	2,830	2,180	1,130	52
Seed Requirements	102	71	71	59	83
Feed, Waste & Dockage	-94	493	343	291	85
Carryover, July 31	1,181	787	394	394	100
EXPORTS ($ thousand):	5,378.4	4,268.2	5,578.8	6,385.5	114
Unprocessed	5,378.4	4,268.2	5.578.8	6,385.5	114
Processed	0	0	0	0	0
IMPORTS ($ thousand):	54.3	238.4	671.9	277.0	41
Unprocessed	15.0	218.9	657.6	263.7	40
Processed	39.2	19.5	14.3	13.3	93

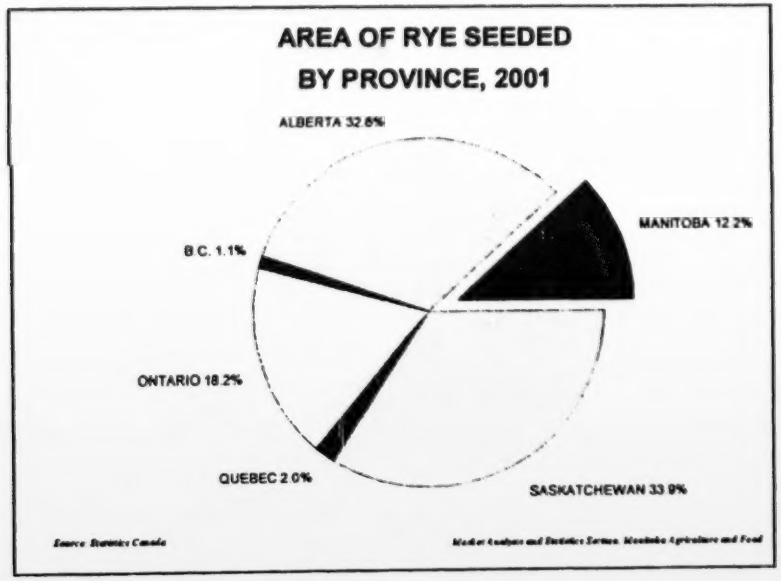
RYE INDUSTRY CHART, 2001

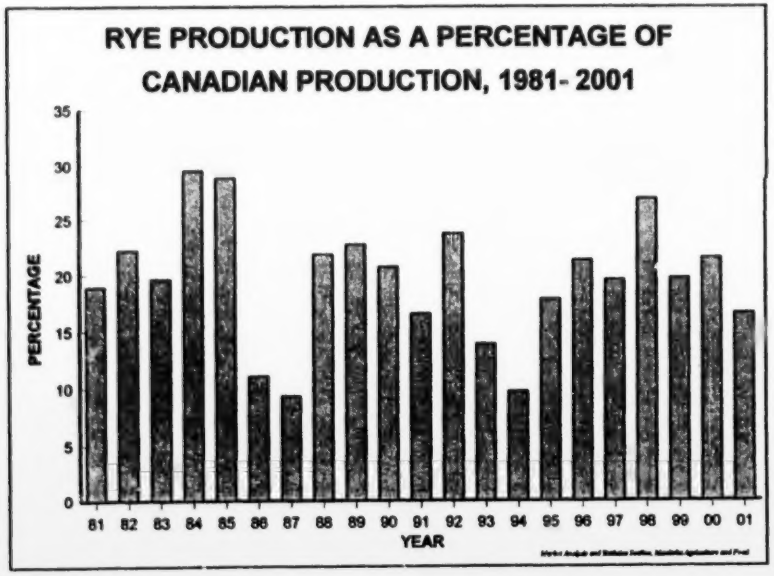


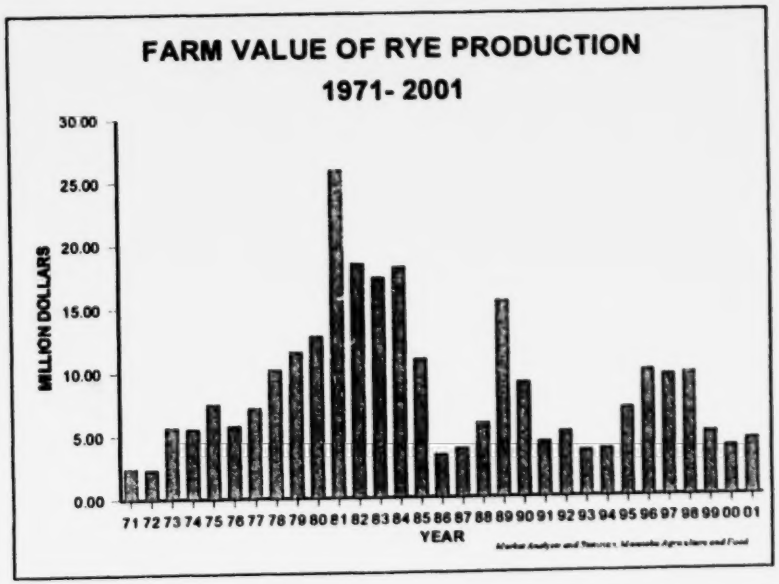
DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

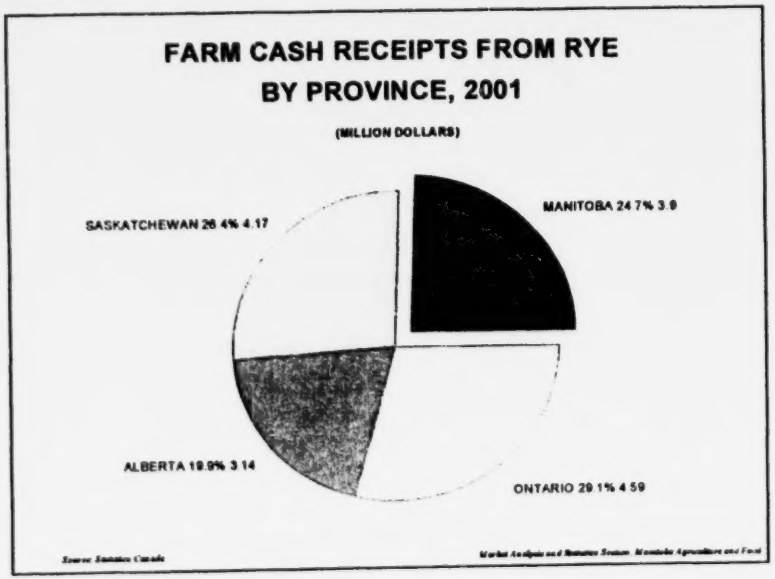

SEEDED & HARVESTED AREA OF RYE
BY YEAR, 1981- 2001
SEEDED
HARVESTED
AREA ('000 ACRES)
YEAR
0 30 60 90 120 150 180 210 240 270
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01

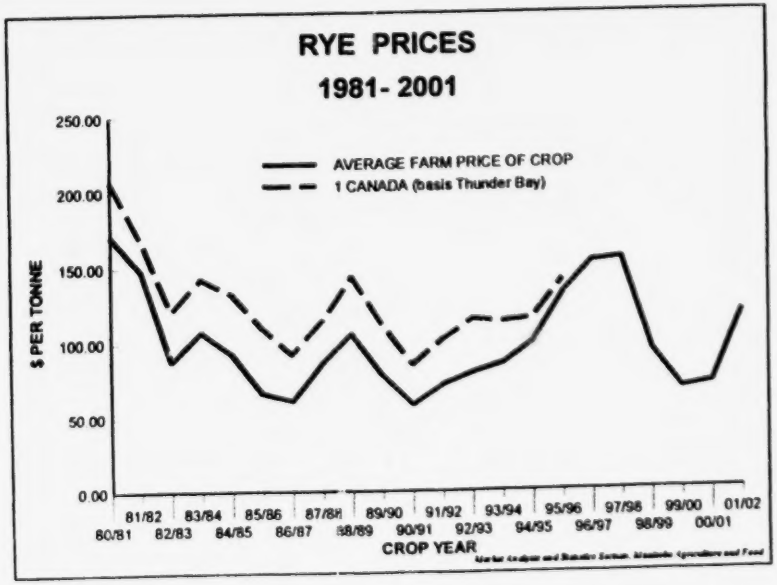

SEEDED AREA OF RYE
BY AGRICULTURAL REGION, 1998- 2001
1998
1999
2000
2001
AREA ('000 ACRES)
REGION
0 10 20 30 40 50
1 2 3 4 5 6 7 8 9 10 11 12

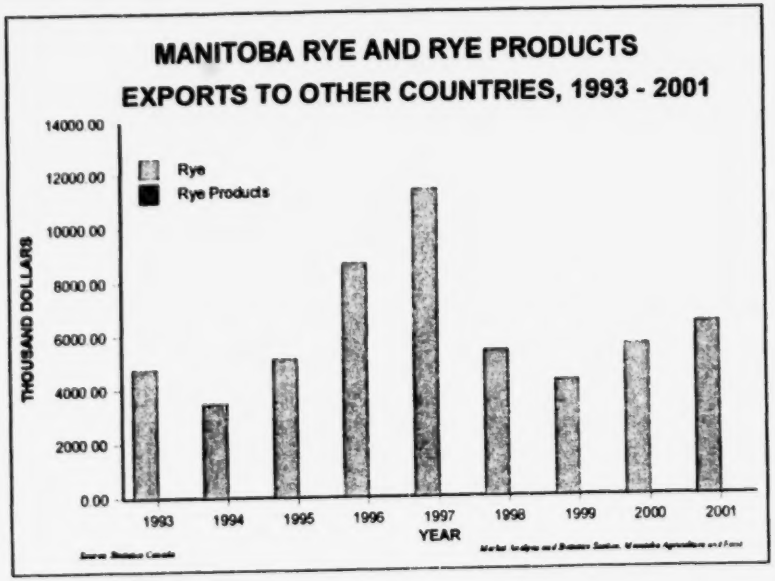

AREA OF RYE SEEDED
BY PROVINCE, 2001
ALBERTA 32.6%
MANITOBA 12.2%
B.C. 1.1%
ONTARIO 18.2%
QUEBEC 2.0%
SASKATCHEWAN 33.9%

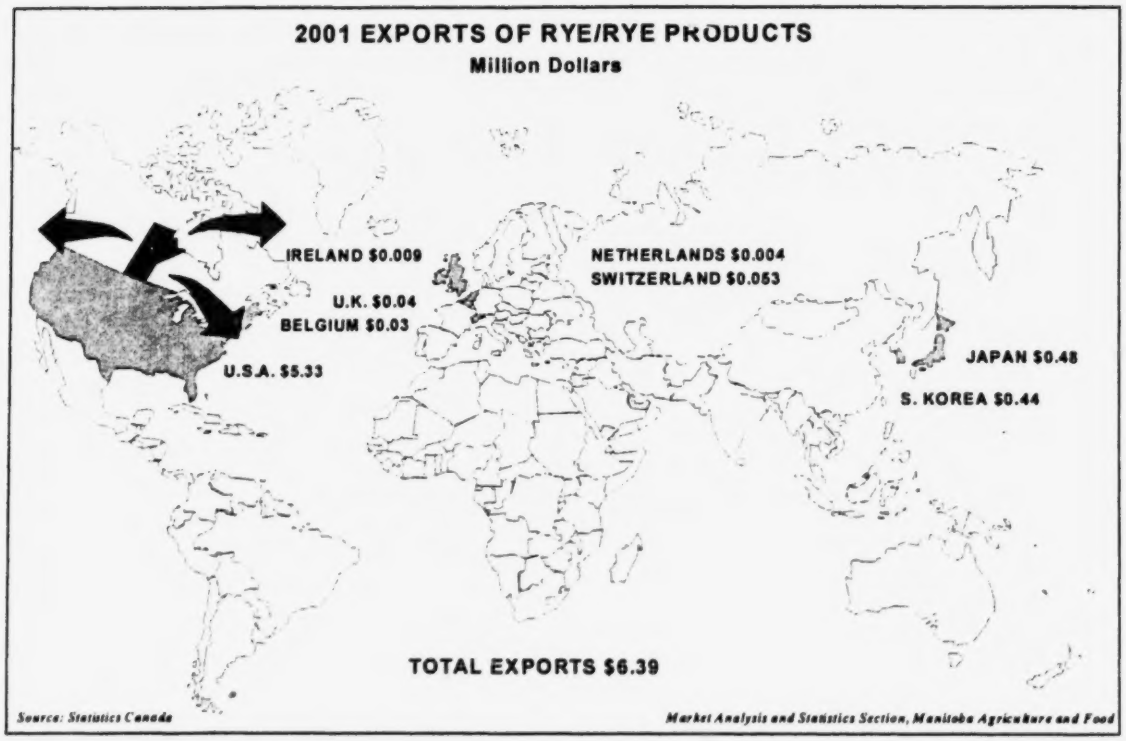

RYE PRODUCTION AS A PERCENTAGE OF
CANADIAN PRODUCTION, 1981- 2001
PERCENTAGE
YEAR
0 5 10 15 20 25 30 35
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01

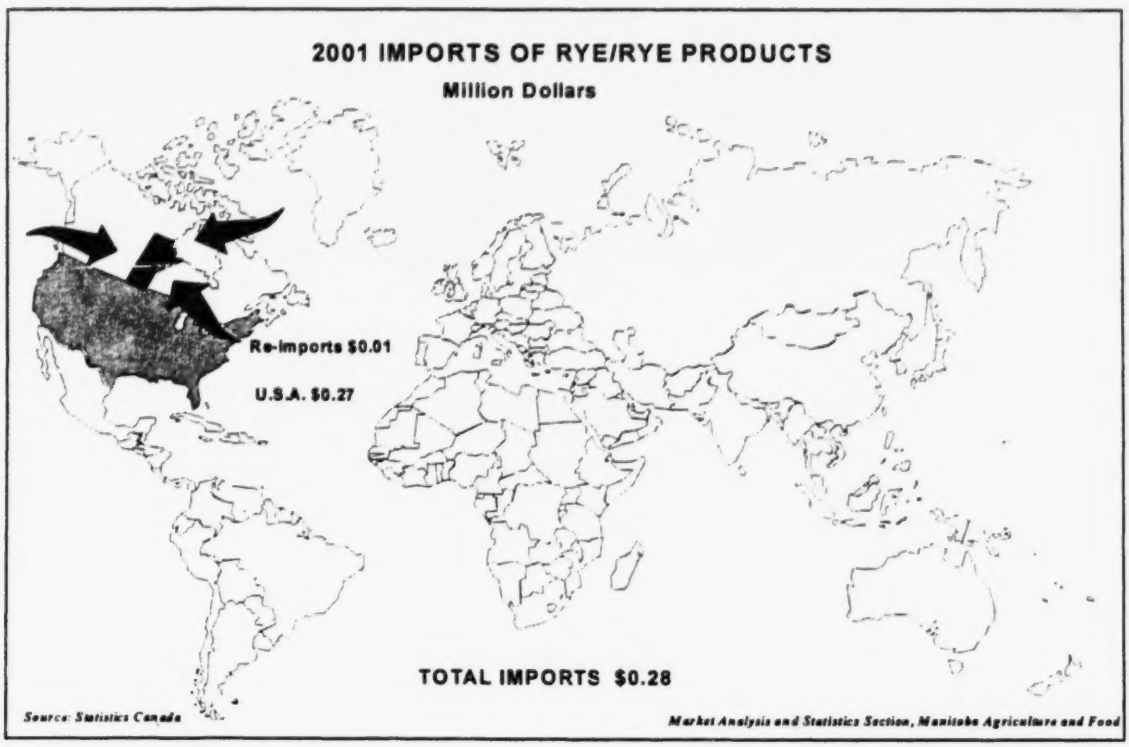

FARM VALUE OF RYE PRODUCTION
1971- 2001
MILLION DOLLARS
30.00
25.00
20.00
15.00
10.00
5.00
0.00
71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR


FARM CASH RECEIPTS FROM RYE
BY PROVINCE, 2001
(MILLION DOLLARS)
SASKATCHEWAN 26.4% 4.17
MANITOBA 24.7% 3.9
ALBERTA 19.9% 3.14
ONTARIO 29.1% 4.59

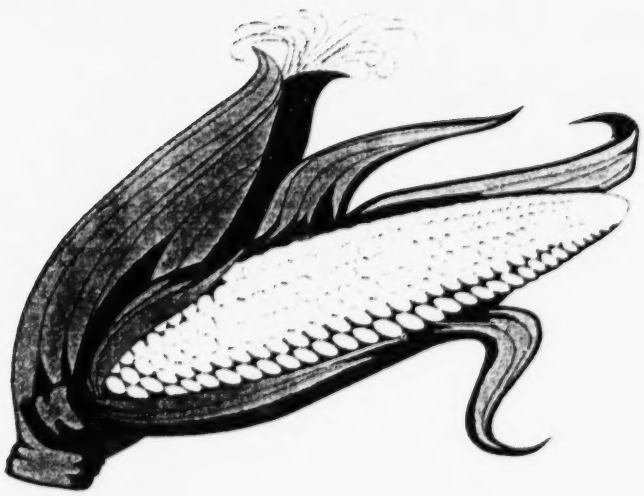

RYE PRICES
1981- 2001
$ PER TONNE
250.00
200.00
150.00
100.00
50.00
0.00
AVERAGE FARM PRICE OF CROP
1 CANADA (basis Thunder Bay)
80/81 81/82 82/83 83/84 84/85 85/86 86/87 87/88 88/89 89/90 90/91 91/92 92/93 93/94 94/95 95/96 96/97 97/98 98/99 99/00 00/01 01/02
CROP YEAR


MANITOBA RYE AND RYE PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993 - 2001
THOUSAND DOLLARS
14000.00
12000.00
10000.00
8000.00
6000.00
4000.00
2000.00
0.00
Rye
Rye Products
1993 1994 1995 1996 1997 1998 1999 2000 2001
YEAR


2001 EXPORTS OF RYE/RYE PRODUCTS
Million Dollars
IRELAND $0.009
U.K. $0.04
BELGIUM $0.03
U.S.A. $5.33
NETHERLANDS $0.004
SWITZERLAND $0.053
JAPAN $0.48
S. KOREA $0.44
TOTAL EXPORTS $6.39
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF RYE/RYE PRODUCTS
Million Dollars
Re-imports $0.01
U.S.A. $0.27
TOTAL IMPORTS $0.28
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

GRAIN CORN SECTOR



GRAIN CORN SECTOR PROFILE

Production:

Manitoba producers grew very little corn for grain prior to 1978, when 88,000 acres were harvested. Harvested areas were greatest in the early 1980s, reaching a record 225,000 acres in 1981. Lower prices and adverse weather conditions led to smaller areas of grain corn being harvested between 1992 and 1995. The area seeded to grain corn increased from 45,000 acres in 1995 to 145,000 acres in 2000, but fell to 110,000 acres in 2001. In addition, 45,000 acres of corn was grown for silage purposes in 2001. From a peak production of 17.0 million bushels in 1981, the grain corn crop declined to 1.4 million bushels in 1992. The crop rose to 10.4 million bushels in 2000, but declined to 9.9 million bushels in 2001. This was down by 5 percent from the previous year. Manitoba produced almost all of the 2001 Western Canadian grain corn crop, but only 3.0 percent of total Canadian corn production.

The record average corn yield of 98.5 bushels per acre in 2001 was 4 percent above the last record of 94.4 bushels per acre in 1998 and well above the 10-year average of 76.3 bushels per acre. Average grain corn prices rose from $2.35 per bushel for the 1992 crop to a record $4.50 for the 1995 crop. The price decreased each year after that to average $2.57 per bushel in 1999, but was higher at $2.72 per bushel in 2000 and 2001. The total value of the Manitoba corn crop was highest in 1981, at $45.8 million, but in 1992, the value dropped to the lowest level, $3.3 million, for the period, 1976-2001. Due to the smaller crop in 2001, the value of grain corn production declined by 5 percent to $26.8 million from $28.3 million in 2000.

Estimated farm expenses for grain corn production, including operating, labour and fixed costs, rose from $263.63 per acre in 2000 to $278.98 per acre in 2001.

Marketing:

Annual cash receipts from the sector increased over the past six years, rising from $1.7 million in 1993 to $21.4 million in 2000, but decreased to $19.1 million in 2001. Manitoba's contribution to Canadian grain corn receipts rose from a low of 0.4 percent in 1993 to 3.1 percent in 2001.

All the corn produced in 2001 was sold to feed mills, grain handling firms or fed on farms. Any crop carryover at August 1 is used for pre-harvest feeding or distilling requirements.

Processing:

The distillery at Gimli uses about 1.8-2.0 million bushels of corn annually, the equivalent of 18-20 percent of Manitoba's crop. Manitoba farmers have provided much of the distillery requirements for high quality corn, except in the years 1985, 1986, 1992 and 1993, when Manitoba grain corn production and quality were low and virtually all the corn requirements of the distillery had to be met by U.S. suppliers. Corn is also processed and used for hog and poultry feed. Fodder corn silage, including stalks and stems, is fed to dairy and beef cattle.

Trade:

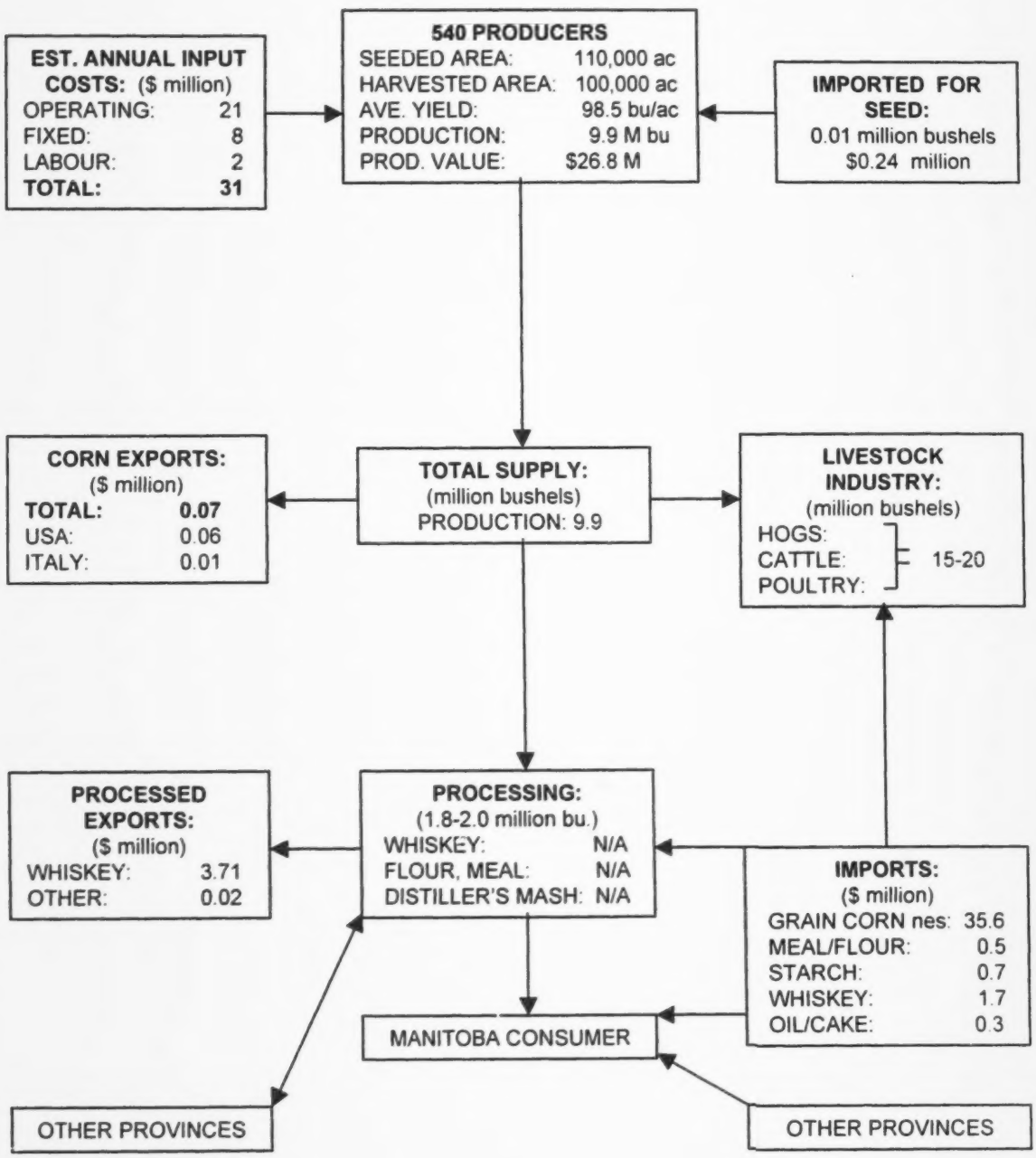
Exports of corn to other countries increased in value from $0.07 million in 1998 to $13.3 million in 1999, but fell to $0.07 million in 2001. The United States is usually the primary market for Manitoba corn exports. However, in 1999, the majority of corn exports, valued at $13.1 million, were destined for Iran. Whiskey exports were valued at $1.0 million in 1996, there were no exports in 1997. Whiskey exports increased over the next three years to $4.55 million in 2000, but declined to $3.71 million in 2001.

Corn imports from the U.S., mainly for use in hog and poultry feed, fell from $35.2 million in 1999 to $28.0 million in 2000, but rose to $35.9 million in 2001. A temporary countervailing duty on corn imported into Canada was responsible for the drop in 2000. Corn flour, oil, meal and starch imports amounted to $1.4 million and whiskey imports totalled $1.7 million in 2001.

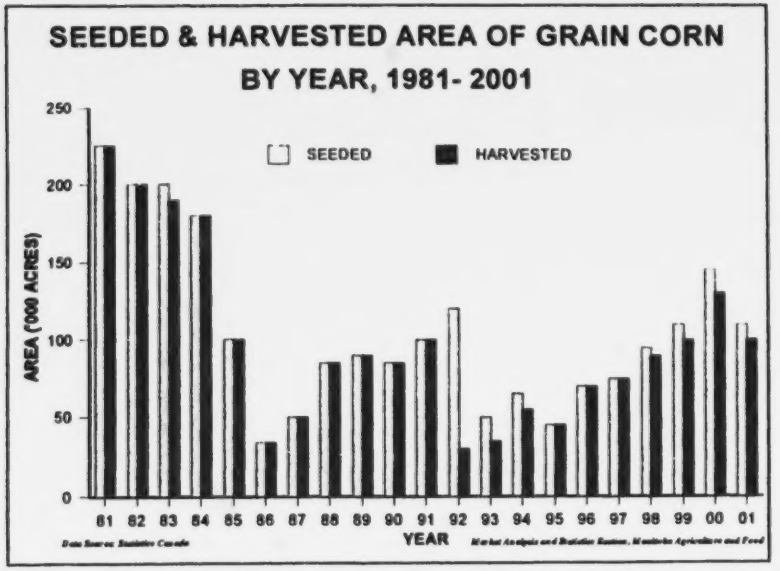
GRAIN CORN AND GRAIN CORN PRODUCTS SECTOR

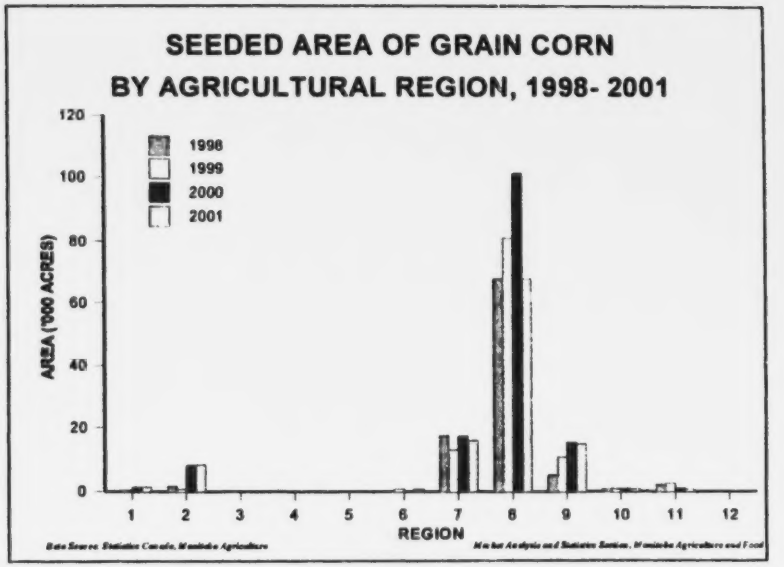
	1998	1999	2000[R]	2001[P]	'01 as a % of '00
Estimated Number of Farms	450	540	600	542	90
CROP PRODUCTION:					
Seeded Area ('000 acres):	95.0	110.0	145.0	110.0	76
% of Canada	3.4	3.8	5.0	3.5	
Harvested Area ('000 acres):	90.0	100.0	130.0	100.0	77
Yield/acre (bushels):	94.4	94.0	80.0	98.5	123
Production (million bushels):	8.5	9.4	10.4	9.9	95
% of Canada	2.4	2.6	3.9	3.0	
Average Price ($/bu):	2.90	2.57	2.72	2.72	100
VALUE OF PRODUCTION ($ million):	24.6	24.1	28.3	26.8	95
ESTIMATED TOTAL EXPENSES ($/acre):	260.42	268.80	263.63	278.98	106
CASH RECEIPTS ($ million):	17.8	19.2	21.4	19.1	89
% of Canada	2.8	2.6	3.1	3.1	
EXPORTS ($ million):	2.11	4.43	7.65	3.80	50
Unprocessed	0.07	0.17	0.08	0.07	88
Processed:	2.03	4.26	7.56	3.73	49
Whiskey	2.03	4.25	4.55	3.71	82
Other	0.003	0.014	3.01	0.02	0.7
IMPORTS ($ million):	26.7	38.4	30.8	39.0	127
Unprocessed:	24.5	35.2	28.0	35.9	128
For seed	0.3	0.5	0.7	0.2	29
Other: ($ million)	24.2	34.7	27.3	35.6	130
(million bushels)	6.4	11.1	9.2	13.0	141
Processed:	2.2	3.0	2.7	3.1	115
Whiskey	1.7	2.4	1.6	1.7	106
Other	0.5	0.6	1.1	1.4	127

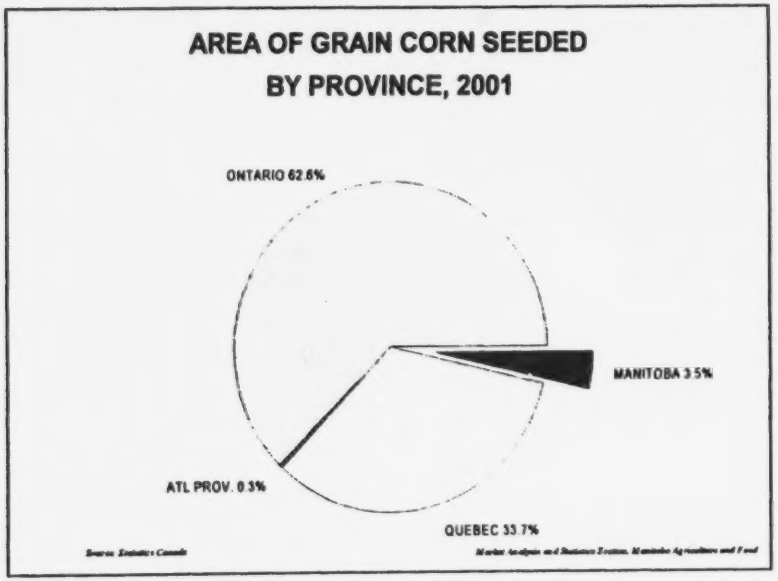
GRAIN CORN INDUSTRY CHART, 2001

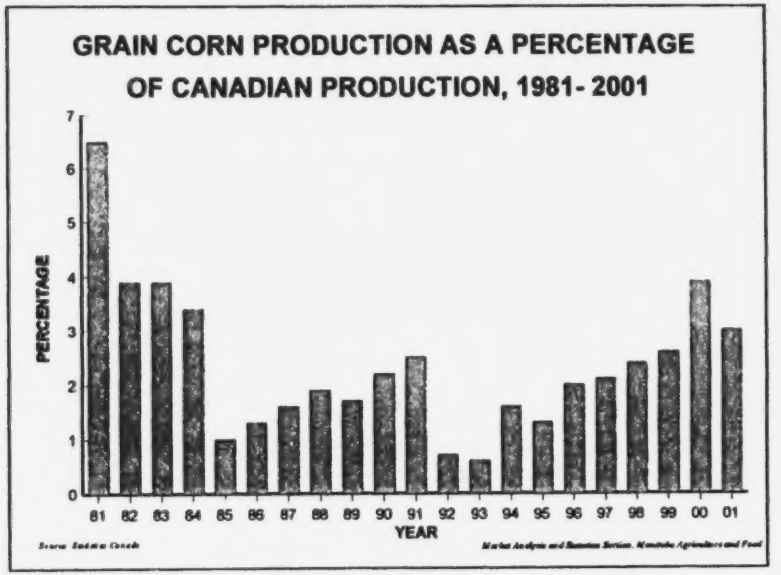


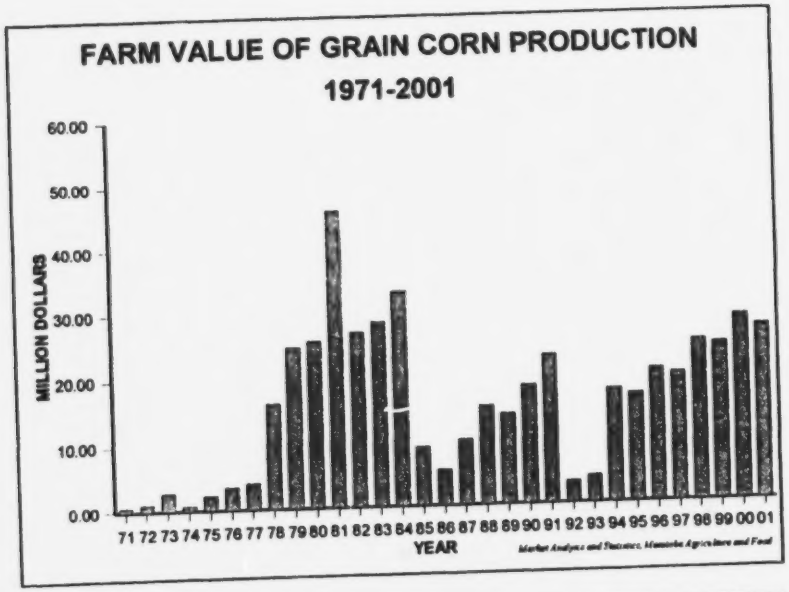
DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

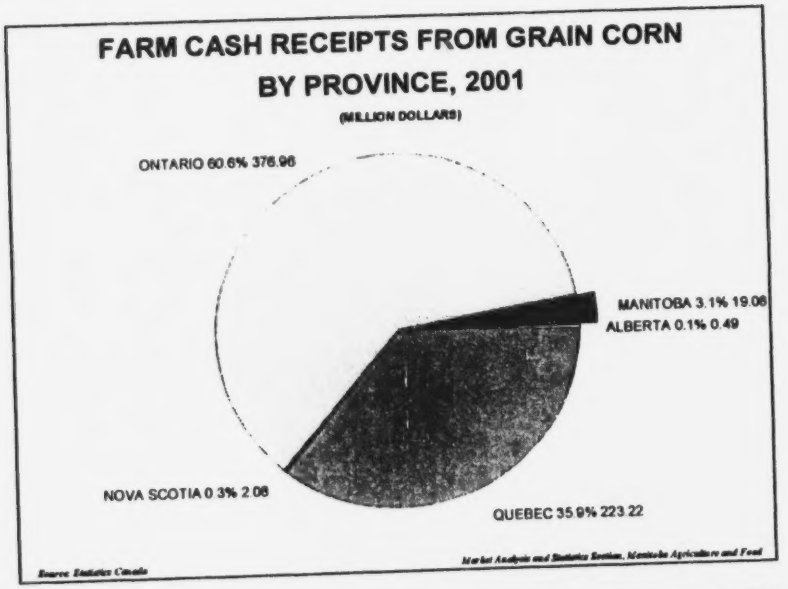

SEEDED & HARVESTED AREA OF GRAIN CORN
BY YEAR, 1981- 2001
SEEDED
HARVESTED
AREA ('000 ACRES)
250
200
150
100
50
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR

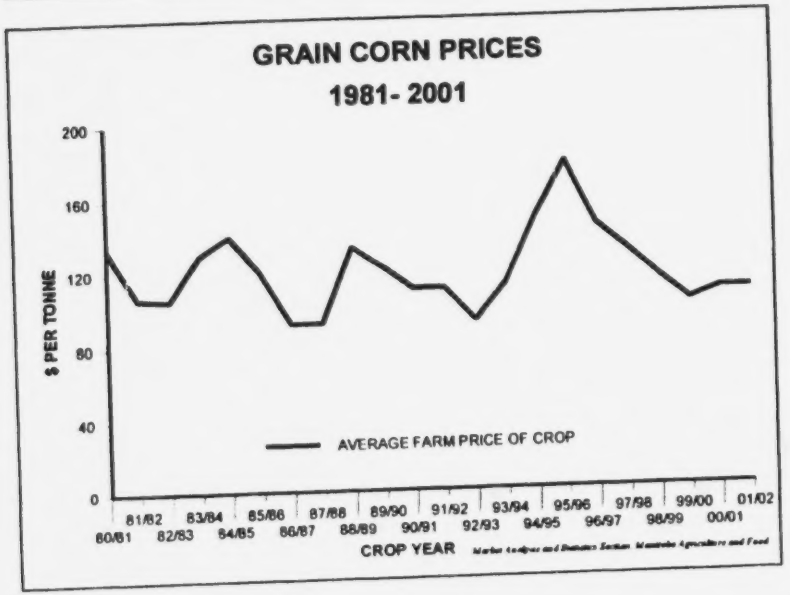

SEEDED AREA OF GRAIN CORN
BY AGRICULTURAL REGION, 1998- 2001
1998
1999
2000
2001
AREA ('000 ACRES)
120
100
80
60
40
20
0
1 2 3 4 5 6 7 8 9 10 11 12
REGION

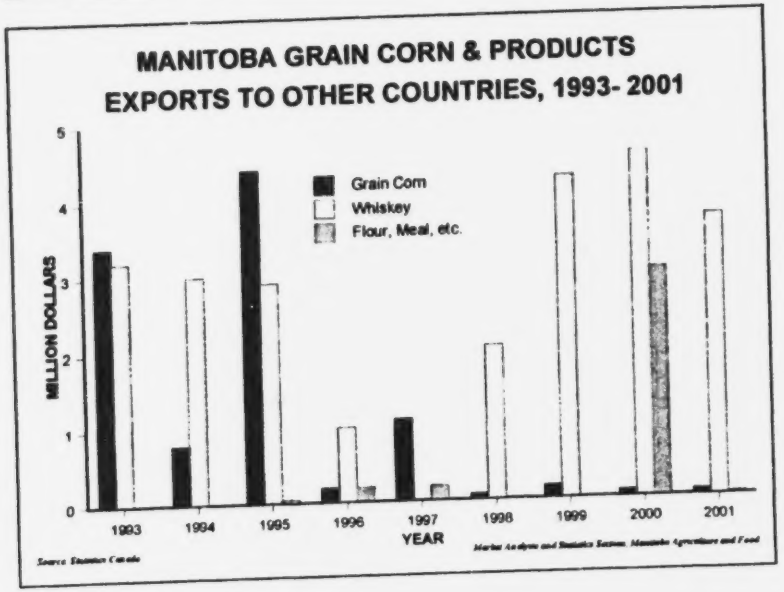

AREA OF GRAIN CORN SEEDED
BY PROVINCE, 2001
ONTARIO 62.6%
MANITOBA 3.5%
ATL PROV. 0.3%
QUEBEC 33.7%


GRAIN CORN PRODUCTION AS A PERCENTAGE
OF CANADIAN PRODUCTION, 1981- 2001
PERCENTAGE
7
6
5
4
3
2
1
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR

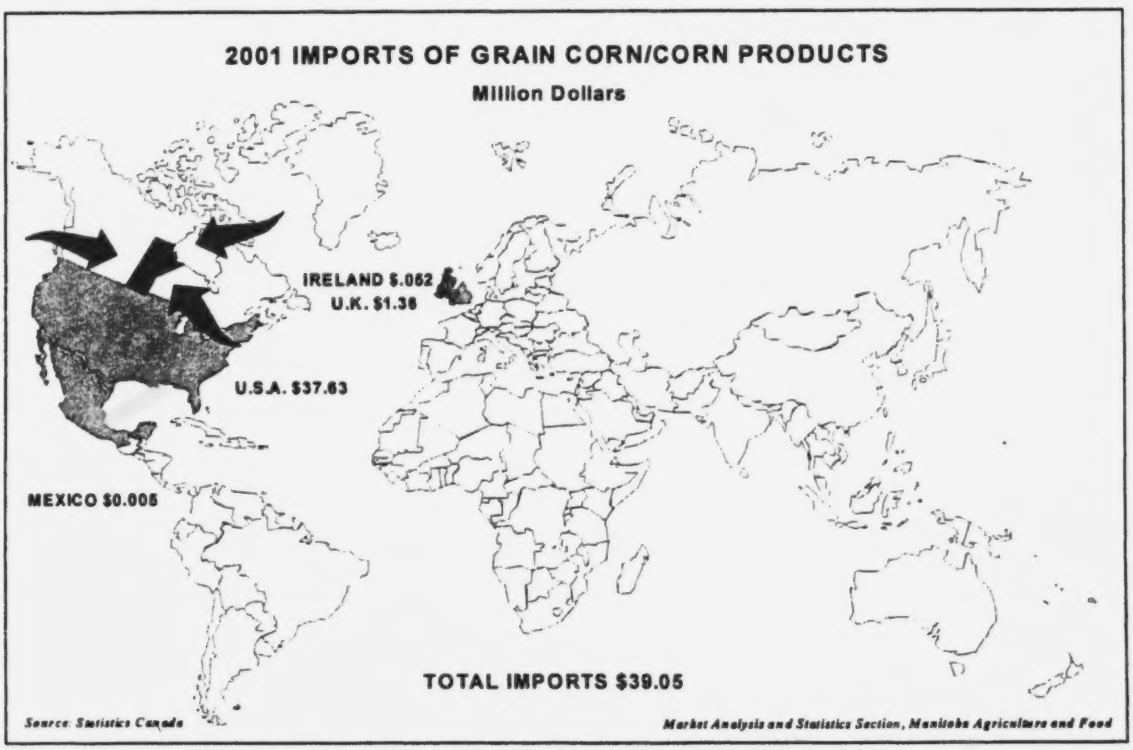

FARM VALUE OF GRAIN CORN PRODUCTION
1971-2001
MILLION DOLLARS
60.00
50.00
40.00
30.00
20.00
10.00
0.00
71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR


FARM CASH RECEIPTS FROM GRAIN CORN
BY PROVINCE, 2001
(MILLION DOLLARS)
ONTARIO 60.6% 376.96
MANITOBA 3.1% 19.08
ALBERTA 0.1% 0.49
NOVA SCOTIA 0.3% 2.08
QUEBEC 35.9% 223.22


GRAIN CORN PRICES
1981- 2001
$ PER TONNE
200
160
120
80
40
0
AVERAGE FARM PRICE OF CROP
80/81 81/82 82/83 83/84 84/85 85/86 86/87 87/88 88/89 89/90 90/91 91/92 92/93 93/94 94/95 95/96 96/97 97/98 98/99 99/00 00/01 01/02
CROP YEAR


MANITOBA GRAIN CORN & PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993- 2001
MILLION DOLLARS
5
4
3
2
1
0
Grain Corn
Whiskey
Flour, Meal, etc.
1993 1994 1995 1996 1997 1998 1999 2000 2001
YEAR

2001 EXPORTS OF GRAIN CORN/CORN PRODUCTS
Million Dollars
ITALY $0.006
U.S.A. $3.795
HONG KONG $0.0005
TOTAL EXPORTS $3.80
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF GRAIN CORN/CORN PRODUCTS
Million Dollars
IRELAND $.062
U.K. $1.36
U.S.A. $37.63
MEXICO $0.005
TOTAL IMPORTS $39.05
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

CANOLA SECTOR

CANOLA SECTOR PROFILE

Production:

Rapeseed was introduced as an alternative crop for Manitoba producers during World War II. The crop increased in significance in the late 1960s-early 1970s when research and development of canola produced varieties with oil suitable for human consumption and meal for livestock feed.

The area seeded to canola (rapeseed) in Manitoba rose from 29,300 acres in 1961 to 581,000 acres ten years later. The canola area ranged between 250,000 acres and 1.9 million acres until 1994 when 2.55 million acres were seeded. Forecasts of high grain prices in 1995 as well as the necessity of crop rotation led to a decrease of 8 percent in canola acres seeded in 1995 and a further drop of 33 percent to 1.57 million acres in 1996. The area seeded to canola rebounded to 2.4 million acres in 1997 and peaked in 1998 at 2.75 million acres, of which 2.73 million acres were harvested. 1998 canola production of 79.5 million bushels was also a record. However, a significant decline in canola prices in 1999/2000 and 2000/01 led to the decrease in seeded and harvested areas to 1.90 and 1.88 million acres respectively in 2001. Manitoba produced 49.5 million bushels in 2001, which was 22.8 percent of the Canadian canola crop, up from 20.9 percent in 2000.

Yields, averaging 26.3 bushels per acre in 2001, were 14.1 percent below the record yield of 30.6 bushels per acre in 1999 and 4.4 percent below the 10-year average of 27.5 bushels per acre. The average price of canola rose steadily from $5.35 per bushel for the 1991 crop to a high of $8.73 for the 1996 crop, but was down to $5.44 per bushel and $6.80 per bushel for the 2000 and 2001 crops. The total value of the Manitoba canola crop peaked in 1998, at $631.1 million, but decreased to $336.8 million in 2001. Canola was the second most valuable crop in Manitoba after wheat.

Estimated farm expenses, including operating, labour and fixed costs, for canola production rose from $162.65 per acre in 1992 to $221.31 per acre in 1999 due mainly to increases in fertilizer and pesticide costs, declined to $217.91 per acre in 2000, but rose to $222.05 per acre in 2001.

Marketing:

Annual canola cash receipts rose from $197.1 million in calendar year 1992 to a record $622.3 million in 1998, but totalled $352.4 million in 2001. Manitoba's contribution to Canadian canola receipts was 20.5 percent in 2001, down from 23.4 percent in 1998.

About 65 percent of the 2001 canola samples tested by the Canadian Grain Commission graded 1Canada with an average of 42.6 percent oil and 22.1 percent protein and 30 percent graded 2Canada. Canola marketings increased to a record 69.9 million bushels in 2000/01, but declined to 43.2 million bushels in 2001/02. Canola carryover fell from 0.4 million bushels in 1997/98 to 11.0 million bushels at the end of the 1999/2000 crop year, but dropped to 4.0 million bushels in 2001/02.

Processing:

Canola is processed by two crushing plants owned by CanAmera, one at Altona and the other at Harrowby on the Saskatchewan border. Together the two plants have a crushing capacity of approximately 28 million bushels per year and both have refining capacity. Output from the plants includes bulk crude and refined oil, bulk vegetable oil, retail pack refined oil, hulls and screenings. Canola meal is a by-product used for livestock feed. A new cold-crush plant was built in Ste. Agathe in 1997, but has only crushed minimal amounts of canola since then due to financial difficulties.

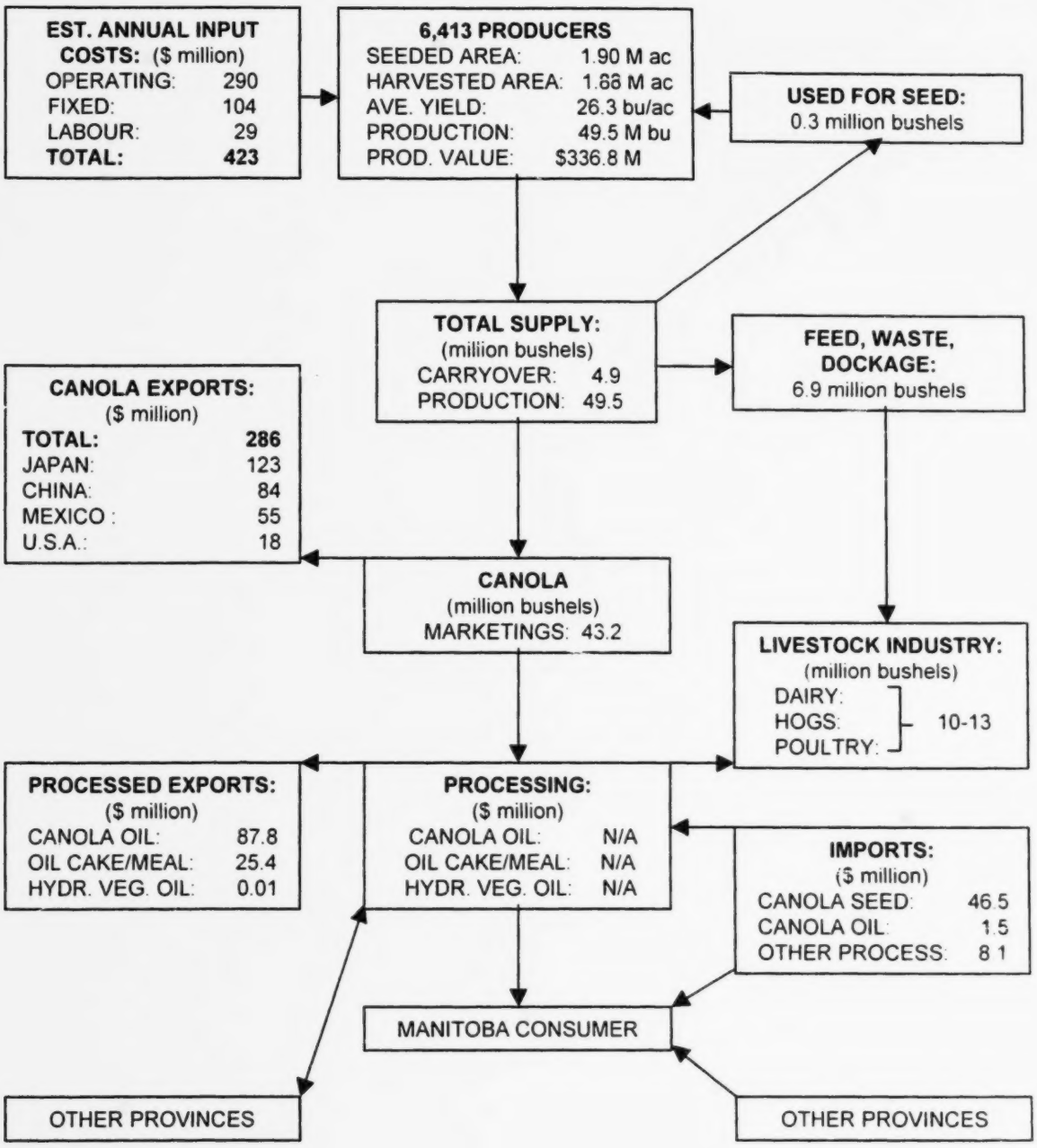
Trade:

Manitoba exported canola seed valued at $286.1 million in 2001 to 16 countries, such as Japan, China, Mexico and U.S.A. Canola oil exports fell from $239.1 million in 1999 to $87.8 million in 2001. Exports of hydrogenated oil and canola meal were valued at $0.005 million and $25.4 million, respectively. Manitoba processors accept deliveries of U.S. canola seed. In 2001, total seed imports amounted to $46.5 million, 90 percent of which went for processing. Manitoba also produces and exports high-erucic rapeseed under contract for industrial use in the U.S.

CANOLA AND CANOLA PRODUCTS SECTOR

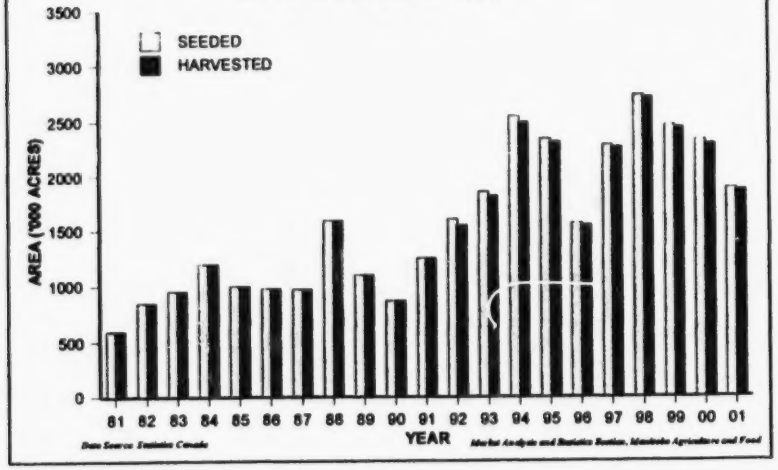
	1998	1999[R]	2000[R]	2001[P]	'01 as a % of '00
Estimated Number of Farms	9,000	8,000	7,500	6,413	75
CROP PRODUCTION:					
Seeded Area ('000 acres):	2,750	2,480	2,350	1,900	81
% of Canada	20.3	17.9	19.4	20.1	104
Harvested Area ('000 acres):	2,730	2,460	2,310	1,880	81
Yield/acre (bushels):	29.1	30.6	28.4	26.3	93
Production (million bu):	79.5	75.3	65.6	49.5	75
% of Canada	23.6	19.4	20.9	22.8	109
Average Price ($/bu):	7.94	5.22	5.44	6.80	125
VALUE OF PRODUCTION ($ million):	631.1	392.8	357.1	336.8	94
ESTIMATED TOTAL EXPENSES: ($/acre)	221.04	221.31	217.91	222.05	102
CASH RECEIPTS ($ million):	622.3	351.7	324.3	352.4	109
% of Canada	23.4	19.9	20.8	20.5	
EST. AV. QUALITY OF CANOLA CROP:	98/99	99/2000	2000/01	2001/02	
1Canada - Oil content (%)	43.1	42.3	42.0	42.6	101
1Canada - Protein content (%)	21.6	21.7	22.0	22.1	100
2Canada - Oil content (%)	42.2	41.3	41.3	42.2	102
2Canada - Protein content (%)	22.4	22.5	22.6	22.8	101
3Canada - Oil content (%)	44.4	42.1	41.5	41.3	100
3Canada - Protein content (%)	22.8	21.7	22.4	23.4	104
CROP DISPOSITION (million bu):	79.9	78.8	76.6	54.3	71
Marketings	69.7	62.5	69.9	43.2	62
Seed Requirements	0.3	0.3	0.3	0.3	100
Feed, Waste & Dockage	6.4	5.0	1.7	6.9	405
Carryover, July 31	3.5	11.0	4.9	4.0	82
EXPORTS ($ million):	999.2	626.0	406.2	399.3	98
Unprocessed	454.7	345.9	254.2	286.1	113
Processed	544.5	280.0	152.0	113.2	74
IMPORTS ($ million):	44.9	54.0	39.2	56.1	143
Unprocessed	33.6	43.2	30.4	46.5	153
Processed	11.3	10.8	8.8	9.6	109

CANOLA INDUSTRY CHART, 2001

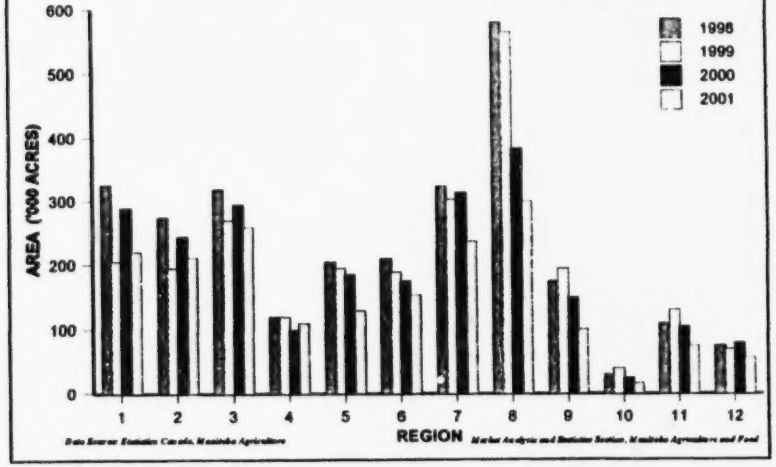


DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

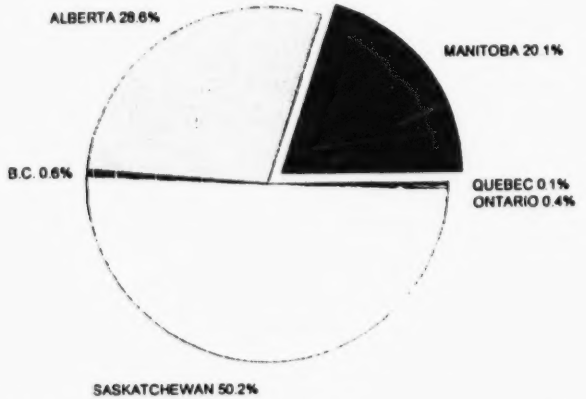
SEEDED & HARVESTED AREA OF CANOLA BY YEAR, 1981- 2001



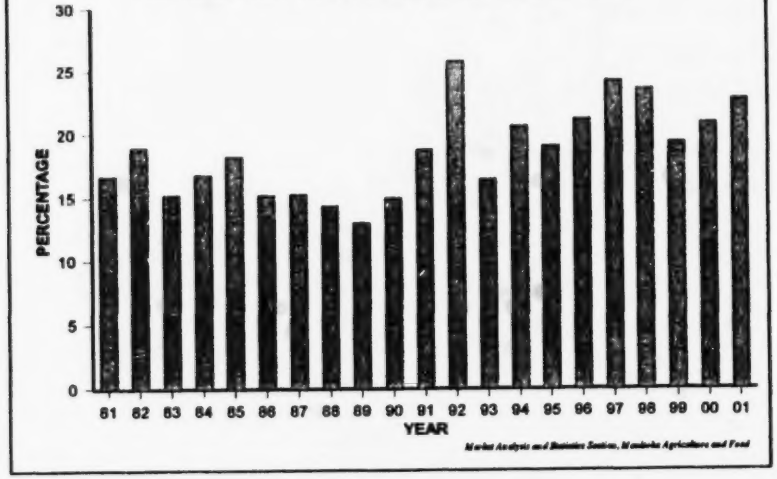
SEEDED AREA OF CANOLA BY AGRICULTURAL REGION, 1998- 2001



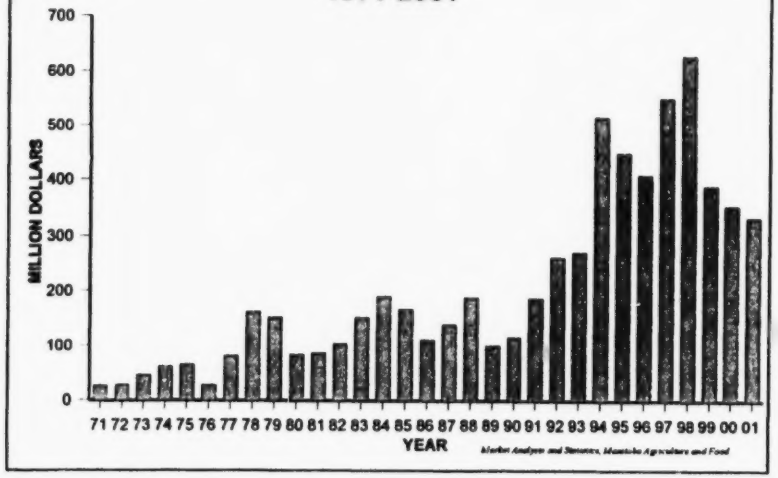
AREA OF CANOLA SEEDED BY PROVINCE, 2001



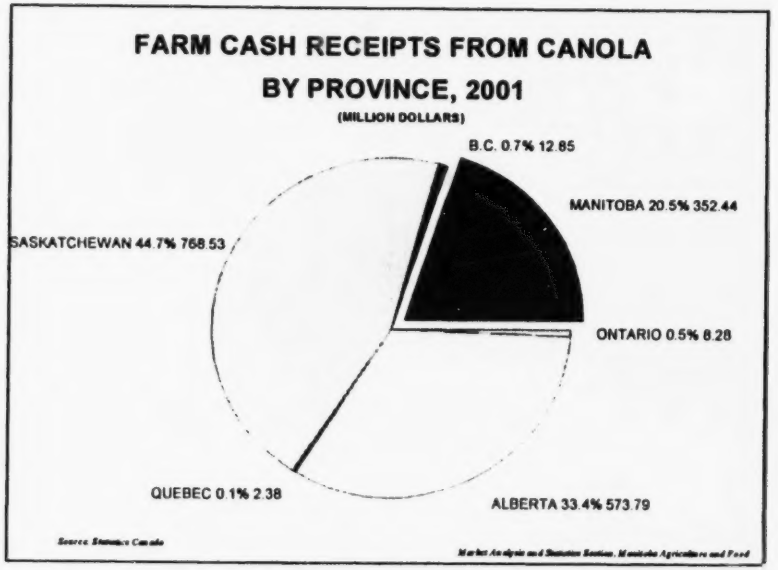
CANOLA PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2001



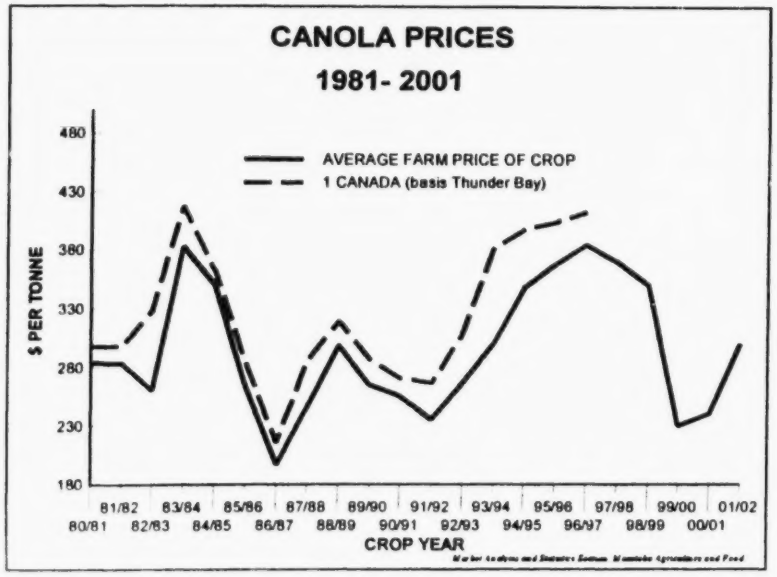
FARM VALUE OF CANOLA PRODUCTION
1971-2001



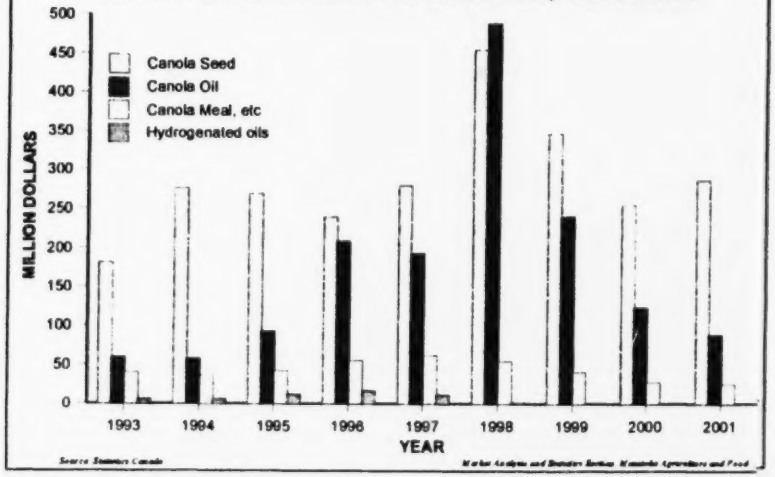
FARM CASH RECEIPTS FROM CANOLA
BY PROVINCE, 2001

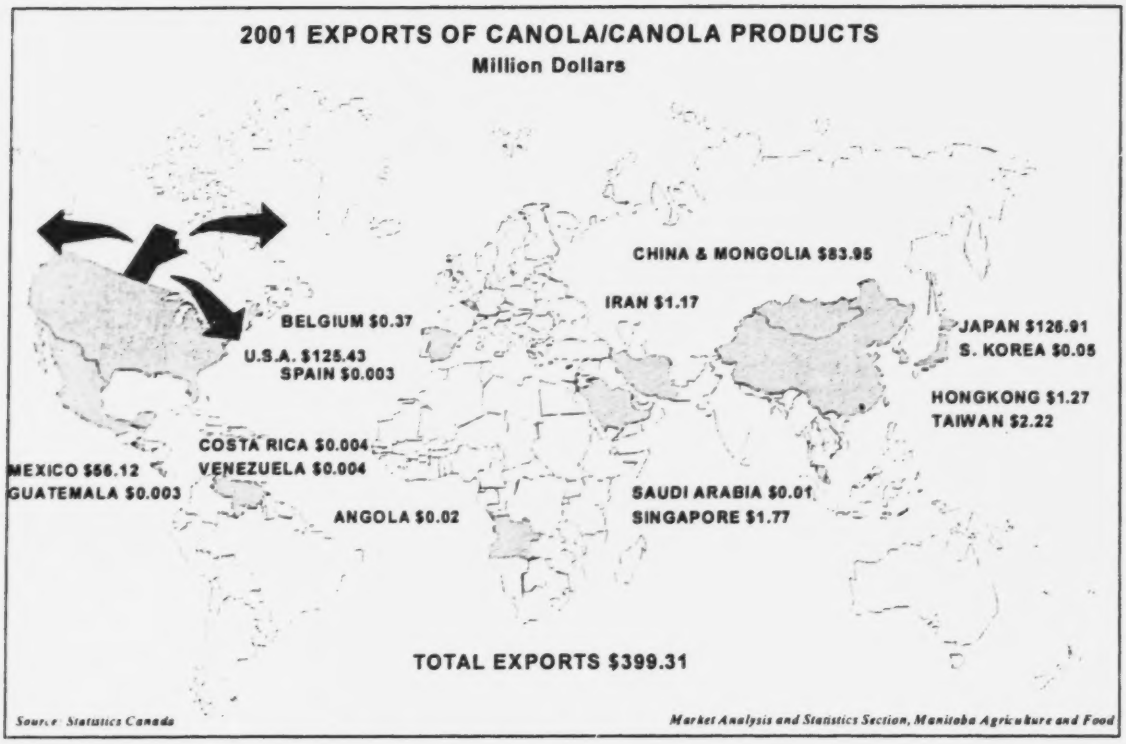


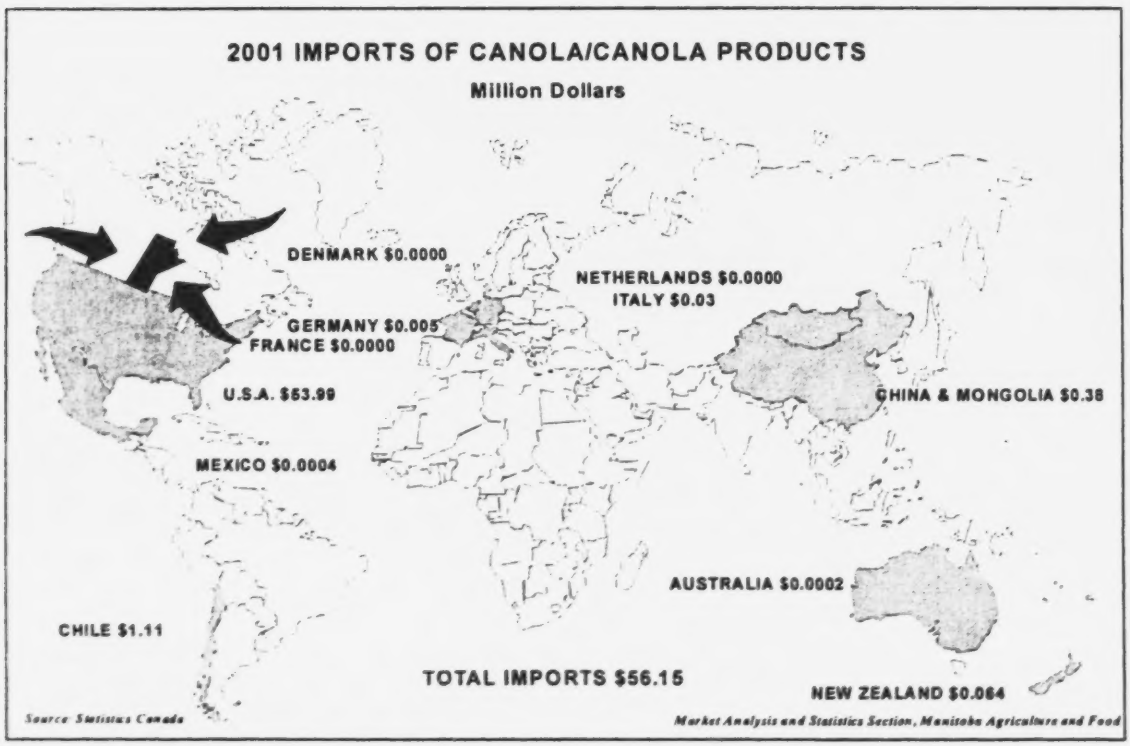
CANOLA PRICES
1981- 2001



MANITOBA CANOLA AND CANOLA PRODUCTS
EXPORTS TO OTHER COUNTRIES, 1993-2001




2001 EXPORTS OF CANOLA/CANOLA PRODUCTS
Million Dollars
CHINA & MONGOLIA $83.95
IRAN $1.17
BELGIUM $0.37
U.S.A. $125.43
SPAIN $0.003
JAPAN $126.91
S. KOREA $0.05
HONGKONG $1.27
TAIWAN $2.22
COSTA RICA $0.004
MEXICO $56.12
VENEZUELA $0.004
GUATEMALA $0.003
SAUDI ARABIA $0.01
ANGOLA $0.02
SINGAPORE $1.77
TOTAL EXPORTS $399.31
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF CANOLA/CANOLA PRODUCTS
Million Dollars
DENMARK $0.0000
NETHERLANDS $0.0000
ITALY $0.03
GERMANY $0.005
FRANCE $0.0000
U.S.A. $53.99
CHINA & MONGOLIA $0.38
MEXICO $0.0004
AUSTRALIA $0.0002
CHILE $1.11
TOTAL IMPORTS $56.15
NEW ZEALAND $0.064
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

FLAXSEED SECTOR

FLAXSEED SECTOR PROFILE

Production:

One of three provinces producing flaxseed, Manitoba has been growing the crop since the late 1800s. Flaxseed only became a significant alternative to grains in the years following World War II when as much as one million acres were planted. The seeded area peaked in 1965 at 1.35 million acres and has fluctuated over the past thirty years from a low of 370,000 acres in 1992 to a high of 1.25 million acres in 1979. Lower prices in 2000/01 led to only 450,000 acres of flaxseed being planted and 435,000 acres harvested in 2001. Flaxseed production of 7.9 million bushels in 2001 was 2 percent lower than in 2000 and 64 percent less than the 1985 record of 22 million bushels. Manitoba contributed 27.9 percent of the Canadian flaxseed crop in 2001, down from 62.4 percent in 1992, when Manitoba was the largest producing province in Canada. Yields averaged 18.0 bushels per acre in 2001, below the 2000 yield of 18.8 bushels per acre and 10-year average of 21.4 bushels per acre. The largest average yield on record was 25.0 bushels per acre in 1996.

The average price of flaxseed rose from $4.00 per bushel for the 1991 crop to $8.51 for the 1996 crop, but declined in each of the next three years to $5.18 per bushel for the 1999 crop. The price increased by 28 percent to $7.65 per bushel in 2001, which was still below the 1974 record of $9.56 per bushel. Despite reduced production, the value of the flaxseed crop rose by 14 percent from $48.6 million in 2000 to $60.0 million in 2001. The value of the flaxseed crop peaked in 1985 at $148 million. Estimated farm expenses for flaxseed production, including operating, labour and fixed costs, rose yearly from $140.03 per acre in 1992 to $165.9 in 1999, fell in 2000 to $164.4 per acre, but increased again to $172.3 per acre in 2001.

Marketing:

Annual cash receipts from flaxseed marketings rose from $88.7 million in 1996 to $135.5 million in 1997, declined to $42.6 million in 1999, but rose to $48.2 million in 2001. Manitoba's contribution to Canadian flaxseed receipts fell from 46.1 percent in 1997 to 29.8 percent in 2001. The 2001 flaxseed crop averaged about 44.3 percent oil and 23.4 percent protein, with a particularly high-quality oil containing 56.4 percent linolenic. Flaxseed sales decreased from 14.5 million bushels in 1997/98 to 6.9 million bushels in 2001/02. Flaxseed carryover fell from 2.2 million bushels at the end of the 1999/2000 crop year to 0.8 million bushels on July 31, 2002.

Processing:

Manitoba grows a high-quality, high-linolenic-content crop, which is favourable both for drying oils (polymerization) and health foods (omega-3). The province also grows a small area of low-linolenic, yellow-seeded flaxseed (solin) for oil, or for confectionery use in competition with sesame seed, mainly in Europe.

Flaxseed is processed into a variety of products from breads to linseed oil for paints and concrete preservation to linoleum. Some processing has occurred at the CanAmera plants in Altona and Harrowby. Pizzey's Milling and Baking Co. at Angusville produces ground flax products, such as breads, muffins and pancake mixes. Prairie Flax Products at McGregor also produces milled flax for home and commercial use. Straw fibre, tow and waste, valued at $21 million in 2001, generally are used for industrial purposes, while 100,000 tons of flax straw, valued at about $0.5 million in 2001, is used for fine papers for cigarettes and currency.

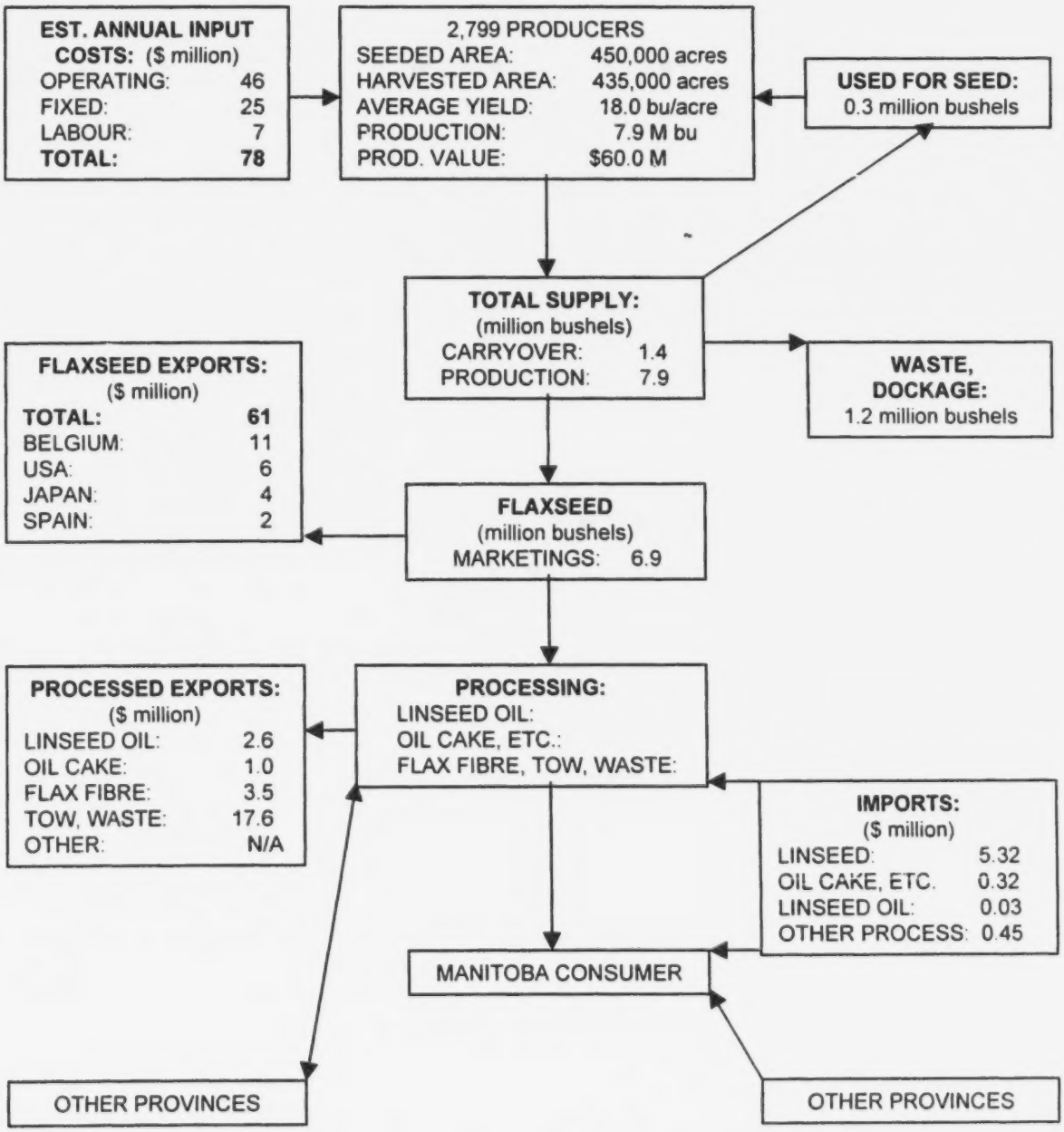
Trade:

Manitoba exported flaxseed, valued at $60.7 million in 2001, to 37 countries, such as Belgium, U.S.A, Japan and the Netherlands. Linseed oil exports totalled $2.6 million in 2001, while oil-cake exports were valued at $1.0 million. Exports of flax fibre, tow and waste totalled $21.1 million. Flaxseed imports increased from $0.47 million in 1999 to $5.3 million in 2001. Imports of oil cake and linseed oil respectively were valued at $0.32 and $0.03 million in 2001.

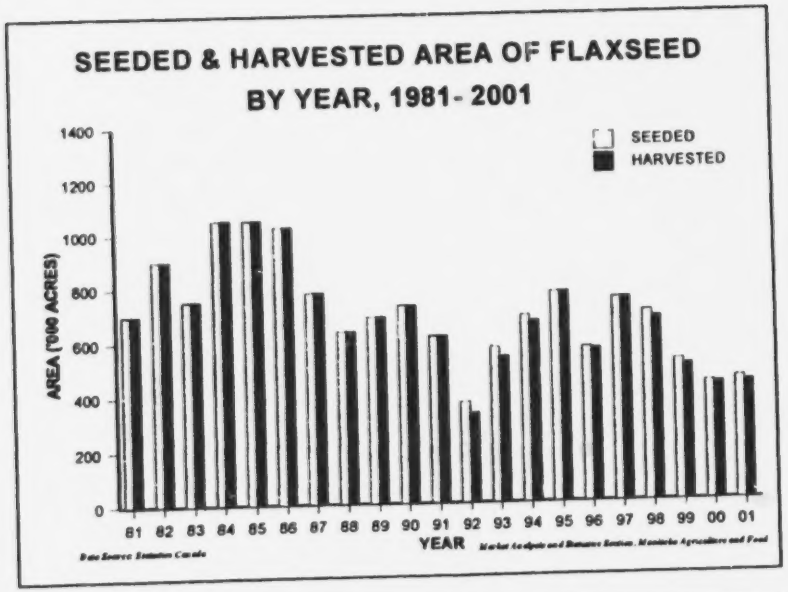
FLAXSEED AND FLAXSEED PRODUCTS SECTOR

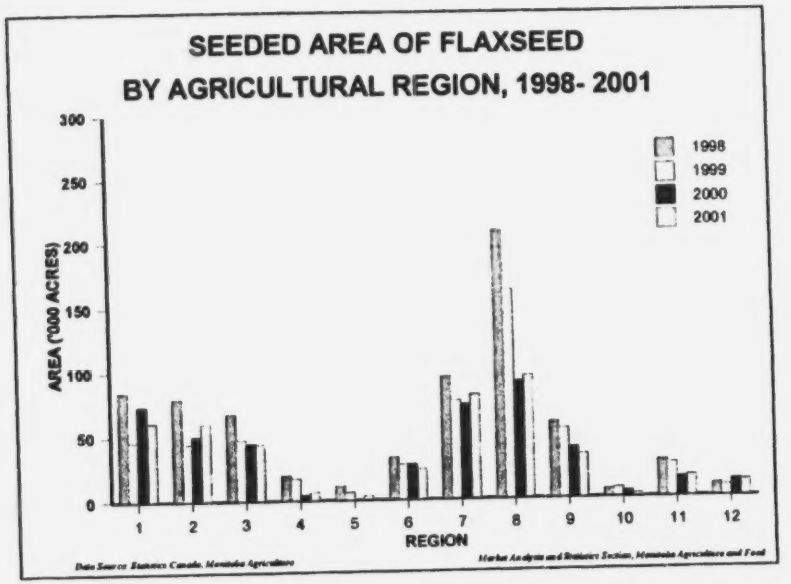
	1998	1999	2000[R]	2001[P]	'01 as a % of '00
Estimated Number of Farms	4,400	4,000	3,000	2,799	93
CROP PRODUCTION:					
Seeded Area ('000 acres):	700	520	435	450	103
% of Canada	32.3	26.0	29.6	27.1	92
Harvested Area ('000 acres):	680	500	430	435	101
Yield/acre (bushels):	20.9	21.4	18.8	18.0	96
Production (million bu):	14.2	10.7	8.1	7.9	98
% of Canada	33.3	25.9	29.7	27.9	94
Average Price ($/bu):	7.75	5.18	5.99	7.65	128
VALUE OF PRODUCTION ($ million):	110.0	55.5	48.6	60.0	124
ESTIMATED TOTAL EXPENSES ($/acre):	158.8	165.9	164.4	172.3	105
CASH RECEIPTS ($ million):	93.4	42.6	47.1	48.2	102
% of Canada	35.4	30.7	31.7	29.8	
EST. AV. QUALITY OF FLAXSEED CROP:	98/99	99/2000	2000/01	2001/02	
1Canada Flaxseed Varieties:					
- Oil content (%)	43.4	43.7	43.7	44.3	101
- Protein content (%)	23.1	22.4	22.4	23.4	104
- Fatty acid content of oil (%) -Linoleic	14.1	14.3	14.3	15.0	105
- Fatty acid content of oil (%) -Linolenic	57.2	60.4	57.5	56.4	98
1Canada Solin (Low-Linolenic) Varieties:					
- Oil content (%)	42.9	43.3	44.1	44.4	101
- Protein content (%)	22.4	22.0	23.2	22.9	99
- Fatty acid content of oil (%) -Linoleic	70.6	72.3	71.0	69.7	98
- Fatty acid content of oil (%) -Linolenic	1.9	2.2	2.0	1.9	95
CROP DISPOSITION (million bu):	14.2	11.7	10.3	9.2	89
Marketings	11.8	8.3	7.7	6.9	90
Seed Requirements	0.4	0.3	0.3	0.3	100
Feed, Waste & Dockage	1.0	0.9	0.9	1.2	133
Carryover, July 31	1.0	2.2	1.4	0.8	57
EXPORTS ($ million):	160.0	106.2	77.1	85.1	110
Unprocessed	123.9	73.2	48.7	60.7	125
Processed	36.1	33.0	28.3	24.7	87
IMPORTS ($ thousand):	1,202.8	505.8	2,786.6	6,112.1	219
Unprocessed	1,196.0	471.4	2,319.1	5,315.6	229
Processed	5.2	34.4	467.6	796.6	170

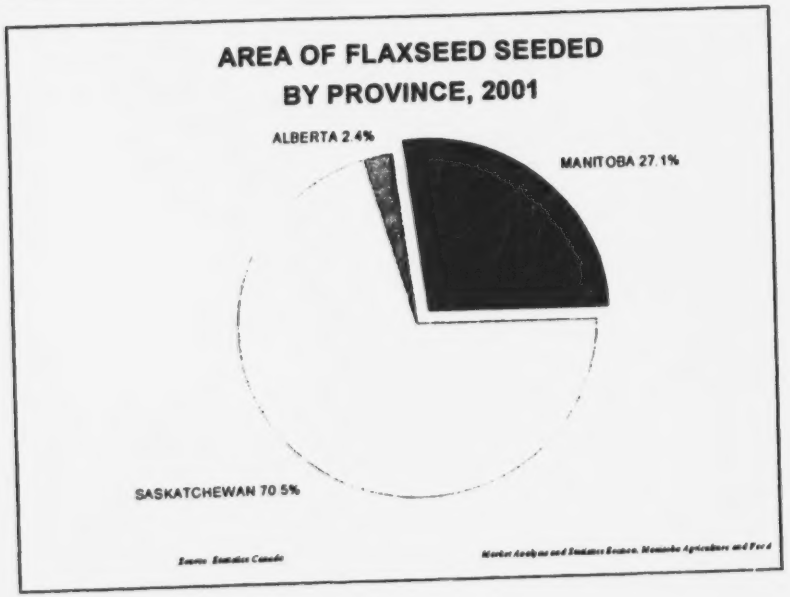
FLAXSEED INDUSTRY CHART, 2001

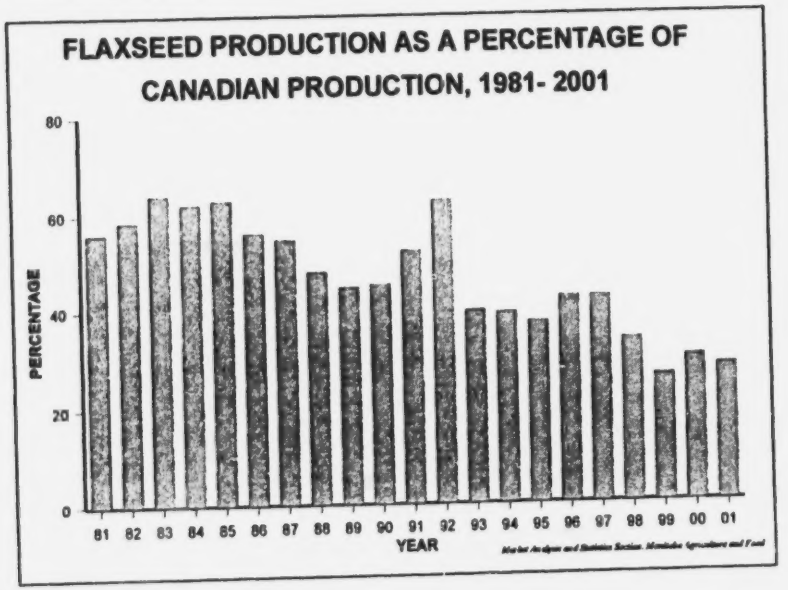


DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

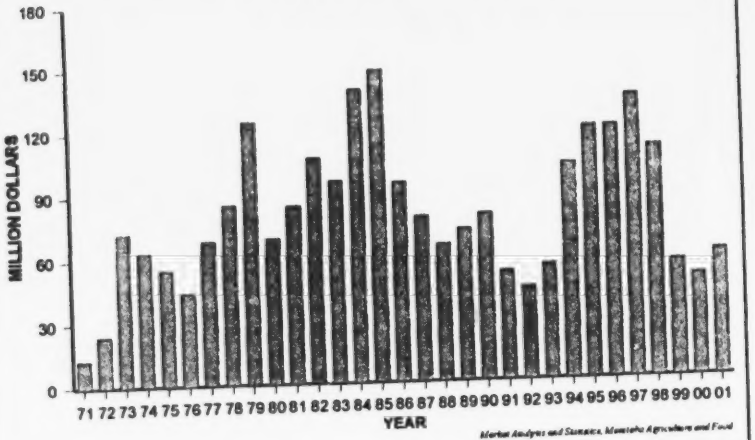

SEEDED & HARVESTED AREA OF FLAXSEED
BY YEAR, 1981- 2001
SEEDED
HARVESTED
AREA ('000 ACRES)
1400
1200
1000
800
600
400
200
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR


SEEDED AREA OF FLAXSEED
BY AGRICULTURAL REGION, 1998- 2001
1998
1999
2000
2001
AREA ('000 ACRES)
300
250
200
150
100
50
0
1 2 3 4 5 6 7 8 9 10 11 12
REGION


AREA OF FLAXSEED SEEDED
BY PROVINCE, 2001
ALBERTA 2.4%
MANITOBA 27.1%
SASKATCHEWAN 70.5%

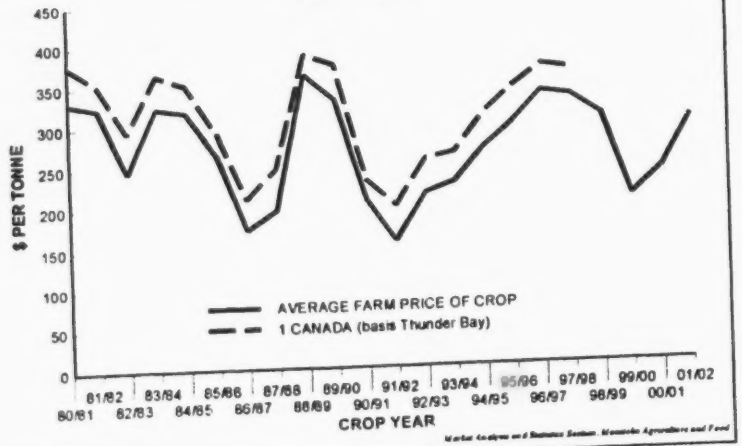

FLAXSEED PRODUCTION AS A PERCENTAGE OF
CANADIAN PRODUCTION, 1981- 2001
PERCENTAGE
80
60
40
20
0
81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01
YEAR

FARM VALUE OF FLAXSEED PRODUCTION
1971- 2001

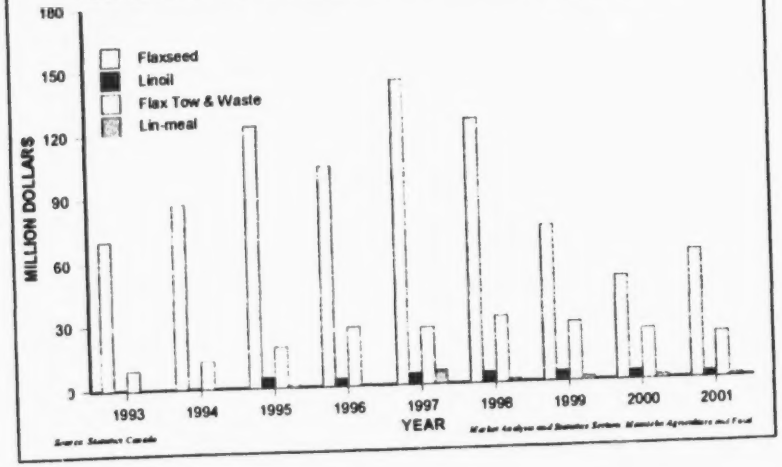


FARM CASH RECEIPTS FROM FLAXSEED BY PROVINCE, 2001
(THOUSAND DOLLARS)

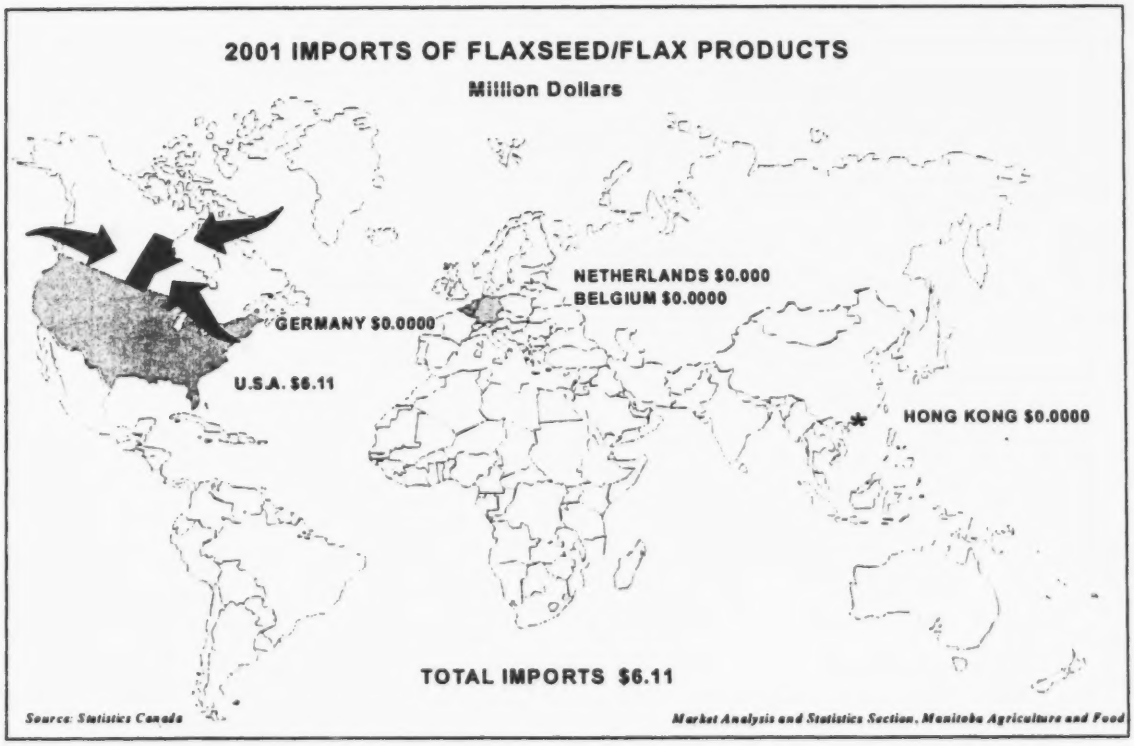
FLAXSEED PRICES
1981- 2001



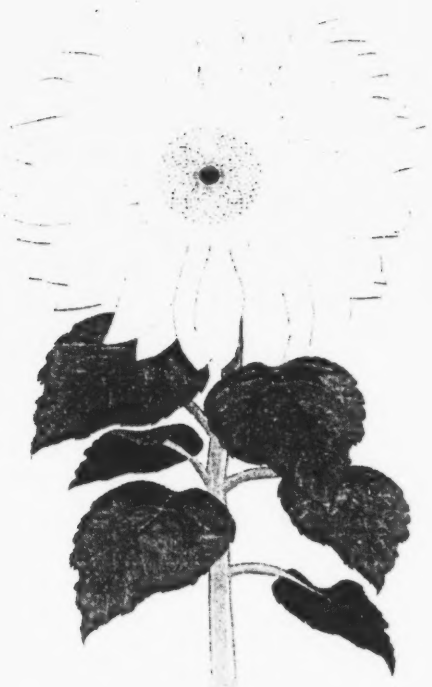
MANITOBA FLAXSEED AND FLAXSEED PRODUCT EXPORTS TO OTHER COUNTRIES, 1993- 2001



2001 EXPORTS OF FLAXSEED/FLAX PRODUCTS
Million Dollars
SWEDEN $0.08
DENMARK $0.04
NETHERLANDS $10.77
GERMANY $1.17
BELGIUM $33.86
ITALY $0.23
SPAIN $1.53
U.S.A. $31.06
JAPAN $3.83
S. KOREA $0.26
MEXICO $0.65
VENEZUELA $0.05
EGYPT $1.21
MALAYSIA $0.04
SOUTH AFRICA $0.05
TOTAL EXPORTS $85.06
(Top 15 of 37 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF FLAXSEED/FLAX PRODUCTS
Million Dollars
NETHERLANDS $0.000
BELGIUM $0.0000
GERMANY $0.0000
U.S.A. $6.11
HONG KONG $0.0000
TOTAL IMPORTS $6.11
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

SUNFLOWER SEED SECTOR



SUNFLOWER SEED SECTOR PROFILE

Production:

The largest producer of the three Prairie Provinces, Manitoba has been growing sunflower seed since the early 1940s. Less than 100,000 acres were planted until 1971, when the area rose to 155,000 acres from 65,000 acres a year earlier. The seeded area peaked in 1979 at 380,000 acres, but dropped to a 15-year low of 57,000 acres in 1986 as lower prices and problems due to weather, disease and insects discouraged producers from growing sunflowers. Prices and varieties improved and the seeded area increased in the early 1990s making sunflowers a viable alternative to grains in the southern part of the province. In 2001, 155,000 acres of sunflowers were planted and 140,000 acres harvested to produce 204.7 million pounds of seed, 8.8 percent less than the 2000 crop and only 44.5 percent of the record 1979 crop of 460.0 million pounds. Manitoba produced 89 percent of the Canadian sunflower seed crop in 2001, down from a high of 96.0 percent in 1981.

Yields averaged 1,462 pounds per acre in 2001 compared to a 10-year average of 1,354 pounds per acre and 1,550 pounds per acre in 2000. The largest average yield on record was 1,586 pounds per acre in 1990.

The average price of sunflower seed rose from $0.10 per pound for the 1991 crop to $0.175 per pound for the 1998 crop, but decreased in 1999 and 2000 to $0.14 per pound. The 2001 average price of $0.16 per pound was well below the record of $0.205 per pound in 1974. The total value of the Manitoba sunflower seed crop peaked in 1979 at $50.6 million. The crop value increased from $31.7 million in 2000 to $32.1 million in 2001.

Estimated farm expenses for sunflower seed production, including operating, labour and fixed costs, decreased from $218.61 per acre in 1999 to $207.20 per acre in 2000, but rose to $229.72 per acre in 2001.

Marketing:

Annual cash receipts from sunflower seed sales rose from $12.4 million in 1997 to $28.6 million in 2001. Manitoba's share of Canadian sunflower seed receipts fell from 89.9 percent in 1992 to 67.0 percent in 1996, but rose to 87.5 percent in 2001. In 2001, about 90 percent of sunflower seed production was of larger seed types used for confectionery or bird feed with the remainder comprised of oil types for crushing. This was a reversal of historic patterns when oil was the major product.

Processing:

Sunflower seeds are processed into oil, roasted and salted or baked into bread products for human consumption. The residual oil-cake or high-protein meal is used for animal feed. Crushing has occurred periodically at the CanAmera plant in Altona. Companies, such as Superior Harvest Foods and Sunny Day Products in Winkler, Nestibo Agra in Deloraine, Snow Fire Seeds in Domain and Scott Bathgate, Tasty Seeds and United Grain Growers in Winnipeg, have processed confectionery seed. Both confectionery types (15%) and oil types (85%) are cleaned and/or mixed with other seeds and bagged for bird feed.

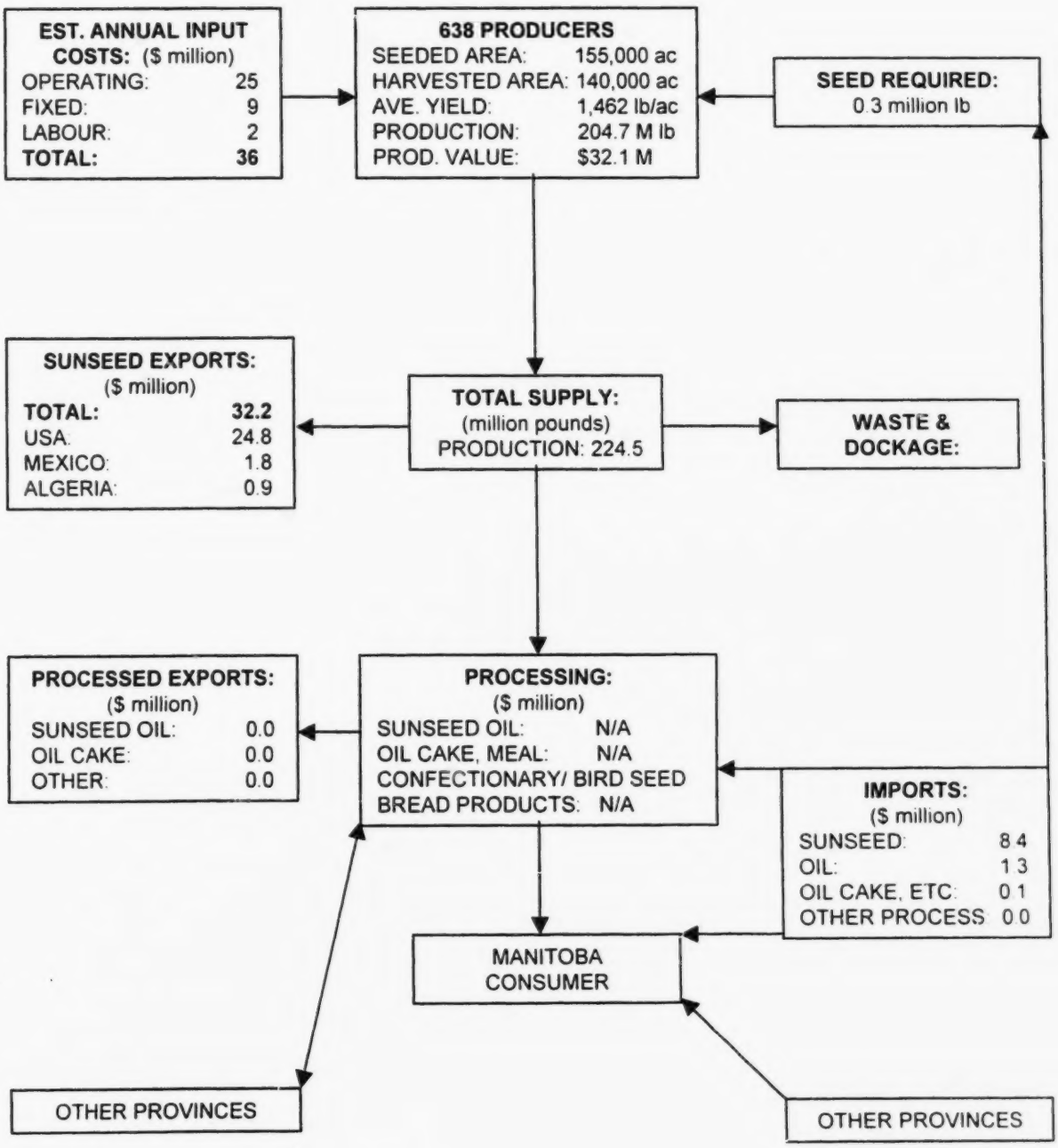
Trade:

Manitoba exported sunflower seed valued at $32.2 million in 2001 to 37 countries, such as U.S.A., Mexico and Algeria. Over 77 percent of sunseed exports were to the U.S. Due to limited crushing in the province, there were no sun-oil exports in the past six years except in 1997 where there were $10,600 of sun-oil exports. Oil-cake exports amounted to $39,000 in 1998, but there were none between 1999 and 2001. Seed may be imported from the United States for planting purposes or to meet processors needs. In 2001, seed imports totalled $8.4 million. Imports of oil came from the United States and were valued at $1.3 million in 2001.

SUNFLOWER AND SUNFLOWER PRODUCTS SECTOR

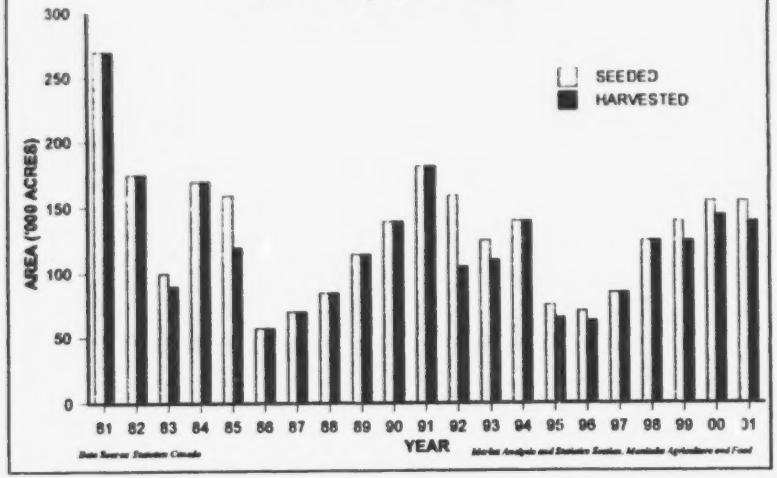
	1998	1999	2000[R]	2001[P]	'01 as a % of '00
Estimated Number of Farms	600	700	700	638	91
CROP PRODUCTION:					
Seeded Area ('000 acres):	125	140	155	155	100
% of Canada	73.5	66.7	83.8	92.8	
Harvested Area ('000 acres):	125	125	145	140	97
Yield/acre (pounds)	1,520	1,460	1,550	1,462	94
Production (million pounds):	190.0	182.8	224.5	204.7	91
% of Canada	77.1	68.0	85.4	89.0	
Average Price ($/pound):	0.18	0.14	0.14	0.16	114
VALUE OF PRODUCTION ($ million):	33.2	25.8	31.7	32.1	101
ESTIMATED TOTAL EXPENSES: ($/acre)	188.35	218.61	207.20	229.72	111
CASH RECEIPTS ($ million):	19.7	22.2	24.3	28.6	118
% of Canada	75.0	73.3	77.7	87.5	
EXPORTS ($ million):	23.8	20.7	23.6	32.2	136
Sunflower seed	23.8	20.7	23.6	32.2	136
Processed (oil, oil-cake, bird seed, etc.)	0.04	0	0	0.01	0
IMPORTS ($ million):	6.5	10.3	7.7	9.8	127
Sunflower seed	5.8	9.4	6.8	8.4	124
Processed (oil, oil-cake)	0.7	0.8	0.9	1.4	156

SUNFLOWER SEED INDUSTRY CHART, 2001

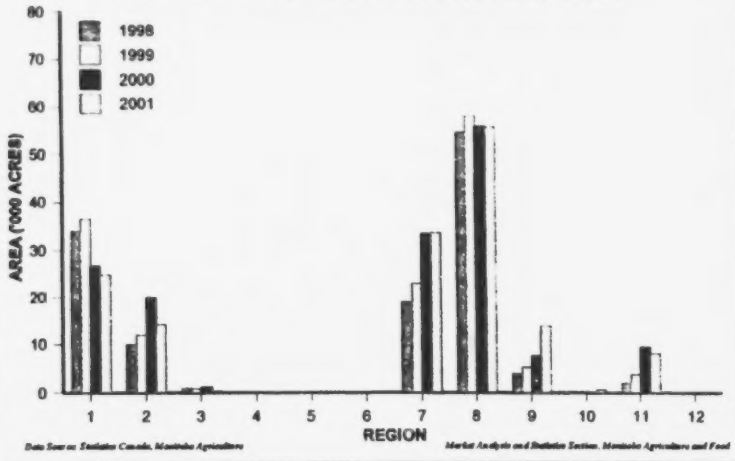


DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

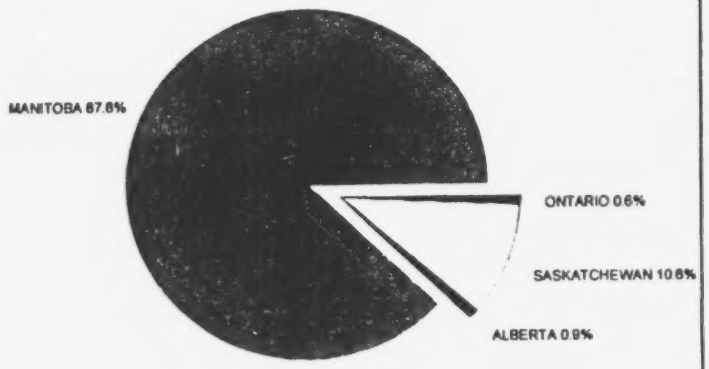
SEEDED & HARVESTED AREA OF SUNFLOWERS BY YEAR, 1981- 2001



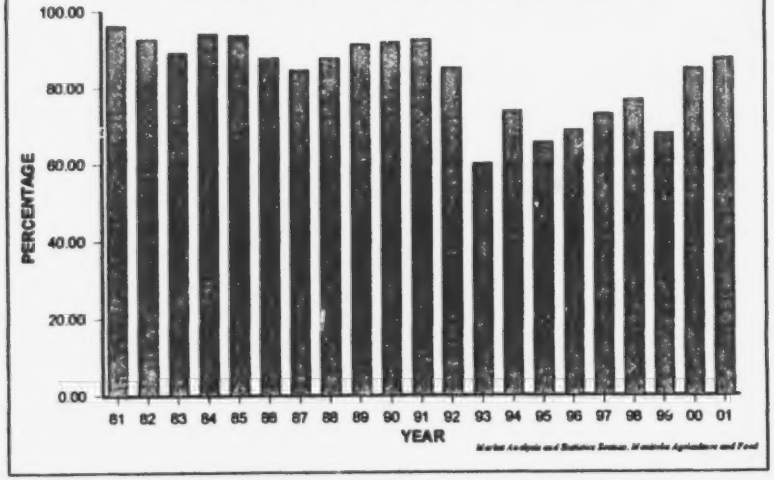
SEEDED AREA OF SUNFLOWERS BY AGRICULTURAL REGION, 1998- 2001



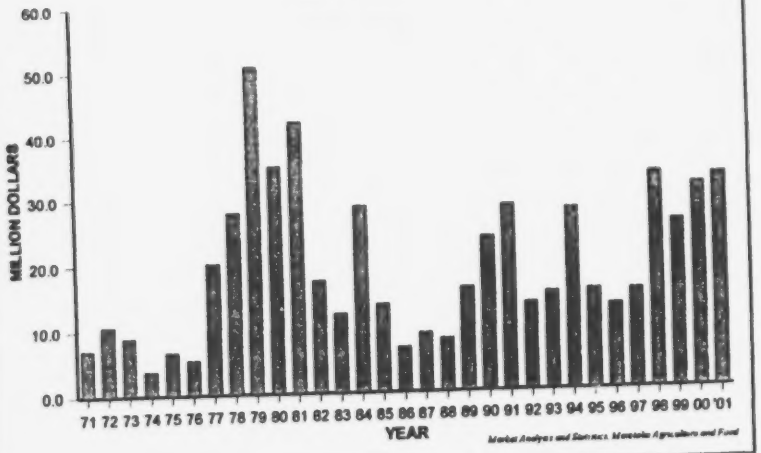
AREA OF SUNFLOWERS SEEDED BY PROVINCE, 2001



SUNFLOWER PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1981- 2001



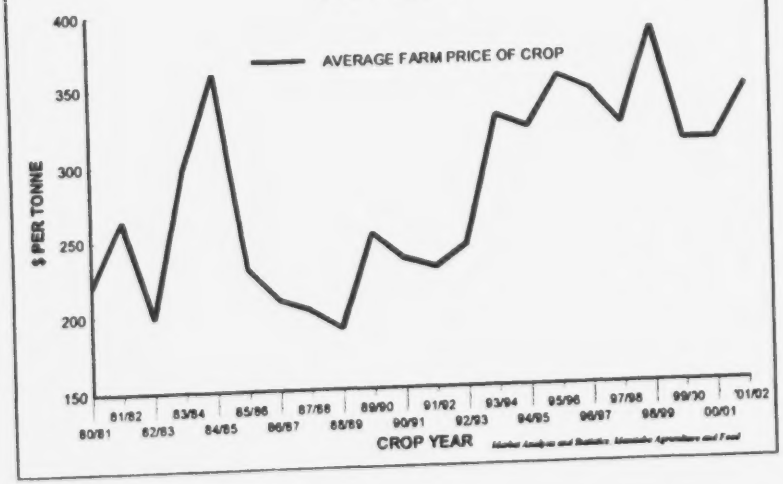
FARM VALUE OF SUNFLOWER PRODUCTION 1971- 2001



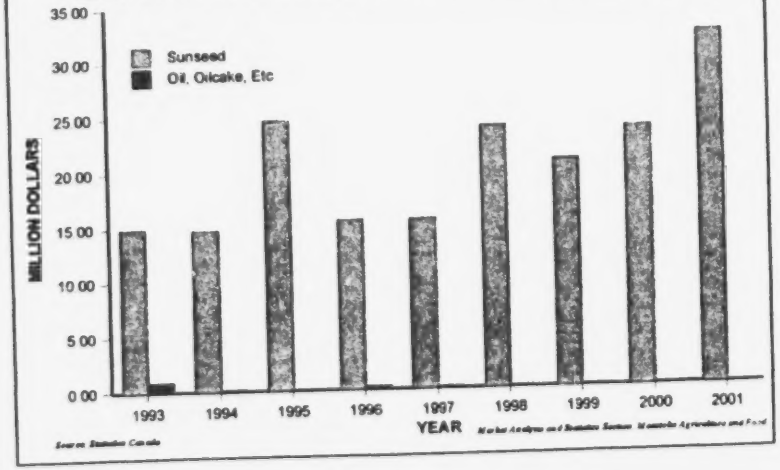
FARM CASH RECEIPTS FROM SUNFLOWERS BY PROVINCE, 2001

(MILLION DOLLARS)

SUNFLOWER SEED PRICES 1981- 2001



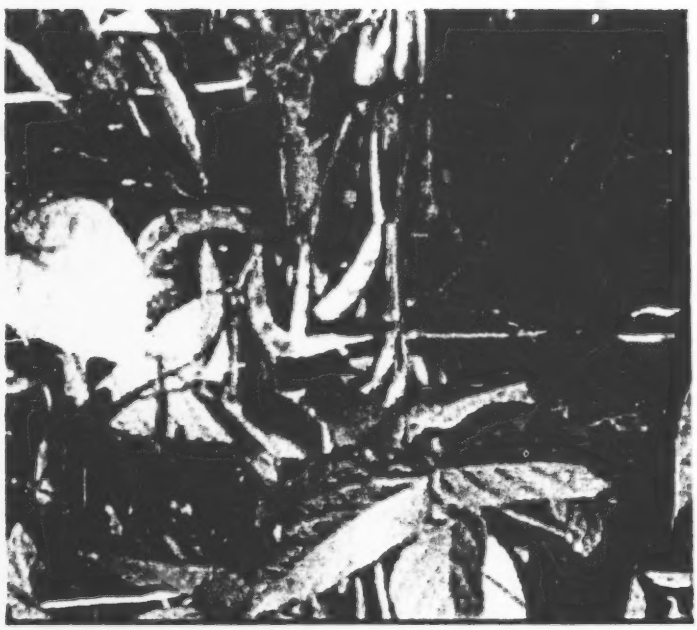
MANITOBA SUNFLOWER SEED AND PRODUCTS EXPORTS TO OTHER COUNTRIES, 1993-2001



2001 EXPORTS OF SUNSEED AND PRODUCTS
Million Dollars
NETHERLANDS $0.49
DENMARK $0.38
GERMANY $0.26
SPAIN $0.22
U.S.A. $24.78
ALGERIA $0.76
MEXICO $1.84
COSTA RICA $0.16
VENEZUELA $0.54
TURKEY $0.37
SAUDI ARABIA $0.21
JAPAN $0.21
JORDAN $0.62
KUWAIT $0.14
LEBANON $0.36
TOTAL EXPORTS $32.17
(Top 15 of 37 countries)
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

2001 IMPORTS OF SUNSEED AND PRODUCTS
Million Dollars
U.K. $0.001
U.S.A. $9.78
ECUADOR $0.000
ARGENTINA $0.04
TOTAL IMPORTS $9.82
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food

SOYBEAN SECTOR



SOYBEAN SECTOR PROFILE

Production:

Soybeans were first introduced in Manitoba in the early 1900s. Due to soybean's satisfactory palatability and relatively good yields, early production was used both for human consumption and as a fodder crop for livestock. In the 1950s, research at the University of Manitoba began to develop varieties more suitable to Manitoba's growing conditions. Further research and development has led to early-maturing, high-yielding soybeans with high protein levels that were better suited for Manitoba's climate. The agricultural and climatic conditions unique to the Red River Valley and Almassippi Sands regions west to the escarpment provide excellent soybean growing conditions. The warm, sunny days and the fertile, loamy clay soil found in and around this area combine to provide the ideal environment to grow high quality soybeans. Manitoba's cooler climate may produce high levels of beneficial isoflavones in soybeans, which are desirable in food and health products. About 95 percent of the soybeans grown in Manitoba are not genetically modified (non-GMO). Soybeans grown in Manitoba are used for livestock feed, human food consumption, non-GMO edible oil and protein in Europe.

There has been a significant increase in soybean area in the past five years. Fewer than 1,000 acres were planted until the late 1990s. The area rose from 6,000 acres in 1997 to 18,000 acres in 1998. By 2001, 50,000 acres of soybeans were planted and harvested to produce 1.35 million bushels. This was 2.5 times the 20,000 acres harvested and 580,000 bushels produced in 2000. Manitoba produced 2.2 percent of the Canadian soybean crop in 2001. Yields averaged 27.0 bushels per acre in 2001 compared to 29.0 bushels per acre in 2000.

The average price of soybeans rose from $4.90 per bushel for the 2000 crop to $6.12 per bushel for the 2001 crop. Producers receive premium prices for non-GMO product. The total value of the Manitoba soybean crop increased from $2.80 million in 2000 to $8.27 million in 2001.

Estimated farm expenses for soybean production, including operating, labour and fixed costs, increased from $196.89 per acre in 2000 to $201.14 per acre in 2001.

Marketing:

Annual cash receipts from soybean sales rose to an estimated $8 million in 2001.

While the most common soybean variety grown in Manitoba in 2001 was a dark hilum bean, the industry trend is moving toward greater acres of yellow (white) hilum beans for the higher value food market. There are a variety of marketing opportunities for Manitoba soybeans ranging from contracted production for non-GMO beans, through Cloutier Agra Seeds, NM Paterson, Horizon Agro and other grain companies, to local sales as livestock feed. Prior to shipping, soybeans are cleaned to export standard and either bagged or shipped in bulk via railcar. Shipments into Japan, Asia and Europe are shipped via Identity Preserved systems for future value-added production.

Processing:

A new soybean crushing plant is under construction at Jordan Siding, south of Carman. The plant is expected to be completed by spring 2003 and will employ five workers and process over 100 tons of soybeans per day initially with the potential to double throughput when needed. The location for the plant was chosen because of the proximity to Manitoba's burgeoning soybean production and the large livestock industry in the area.

An existing company, BBF Enterprises in Letellier roasts soybeans for hog and dairy feed.

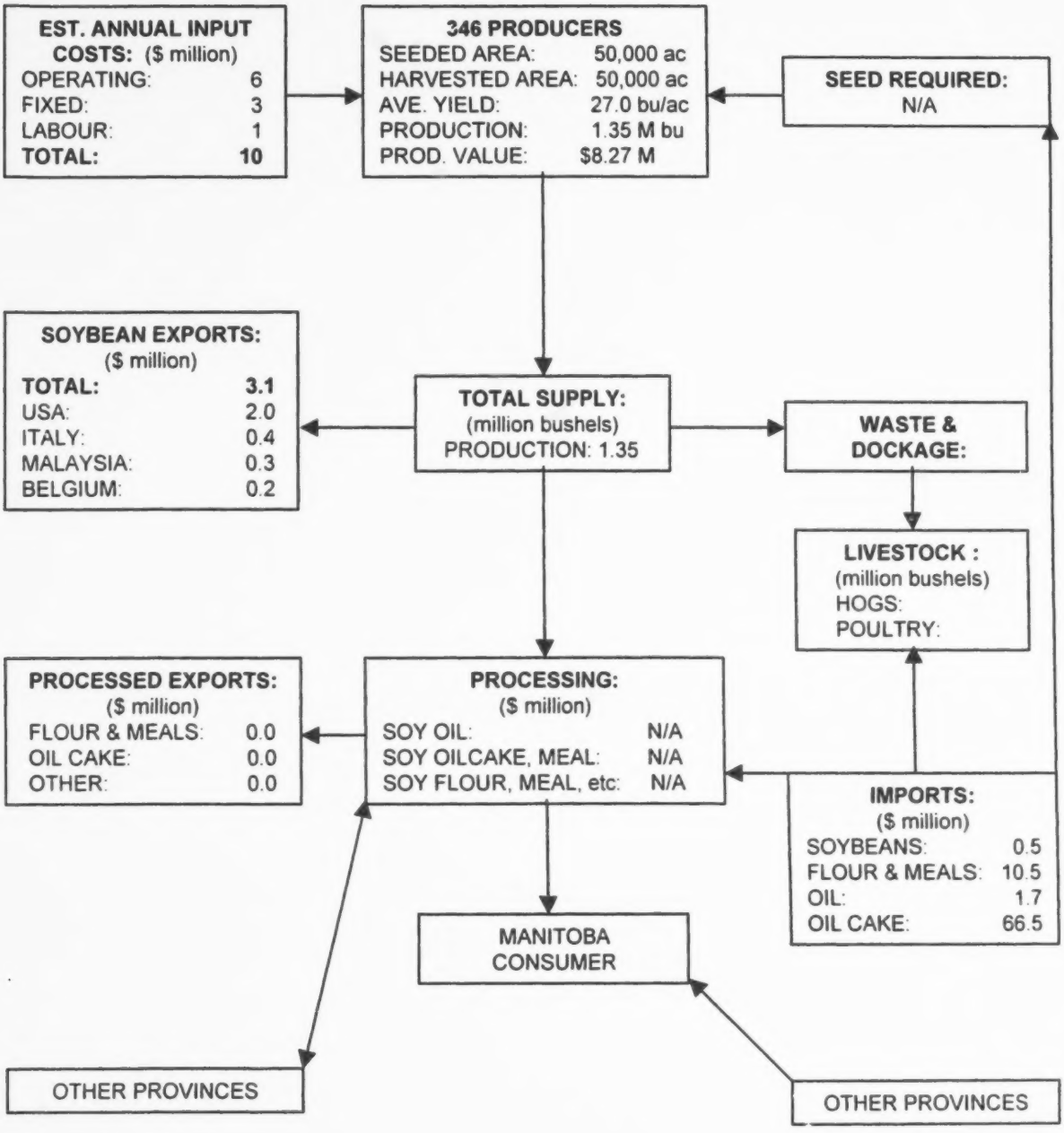
Trade:

The majority of Manitoba's soybean exports go to the non-GMO crush markets in Japan and Europe, with a smaller amount exported to the non-GMO tofu/miso market. Manitoba exported soybeans, valued at $3.14 million in 2001, to 12 countries, such as the United States, Italy, Malaysia and Belgium, down from $16.56 million in 2000. Livestock producers imported $66.46 million of oil-cake from the United States in 2001. Seed may be imported from the United States for planting purposes or to meet processors needs. In 2001, seed imports totalled $0.52 million. Soybean oil, flour and meal, valued at $12.19 million, were also imported from the U.S. in 2001.

SOYBEAN AND SOYBEAN PRODUCTS SECTOR

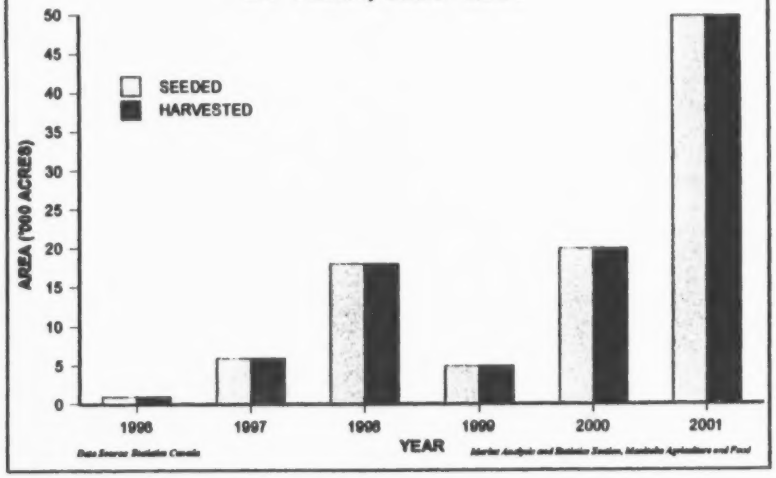
	1998	1999	2000	2001[P]	'01 as a % of '00
Estimated Number of Farms	N/A	N/A	N/A	346	-
CROP PRODUCTION:					
Seeded Area ('000 acres):	18	5	20	50	250
% of Canada	0.7	0.2	0.8	1.9	-
Harvested Area ('000 acres):	18	5	20	50	250
Yield/acre (bushels)	29.5	30.5	29.0	27.0	93
Production ('000 bushels):	530	150	580	1,350	233
% of Canada	0.5	0.1	0.6	2.2	
Average Price ($/bushel):	8.48	4.80	4.90	6.12	125
VALUE OF PRODUCTION ($ million):	4.50	0.72	2.80	8.27	295
ESTIMATED TOTAL EXPENSES: ($/acre)	198.18	199.91	196.89	201.14	102
CASH RECEIPTS ($ million):	N/A	N/A	N/A	8.0	-
% of Canada	N/A	N/A	N/A	1.5	-
EXPORTS ($ million):	13.0	11.97	16.57	3.19	19.3
Soybeans	13.0	11.97	16.56	3.14	19.0
Soybean flour and meal	0	0	0	.015	-
Soybean oil-cake	0	0	.004	.032	800
IMPORTS ($ million):	53.62	56.31	70.60	79.17	112
Soybeans	.337	.394	.395	.516	131
Soybean flour and meal	8.73	7.57	10.61	10.45	98
Soybean oil	.045	1.38	1.31	1.74	133
Soybean oil-cake	44.51	46.97	58.29	66.46	114

SOYBEAN INDUSTRY CHART, 2001

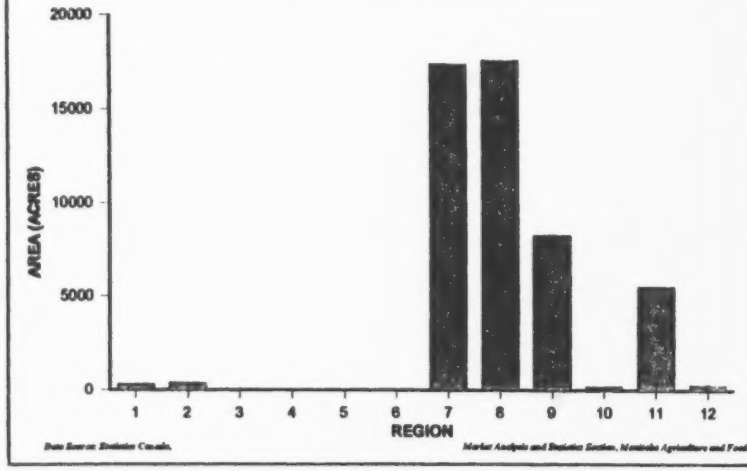


DATA SOURCE: Manitoba Agriculture and Food, Statistics Canada, Agriculture & Agri-Food Canada

SEEDED & HARVESTED AREA OF SOYBEANS BY YEAR, 1996- 2001

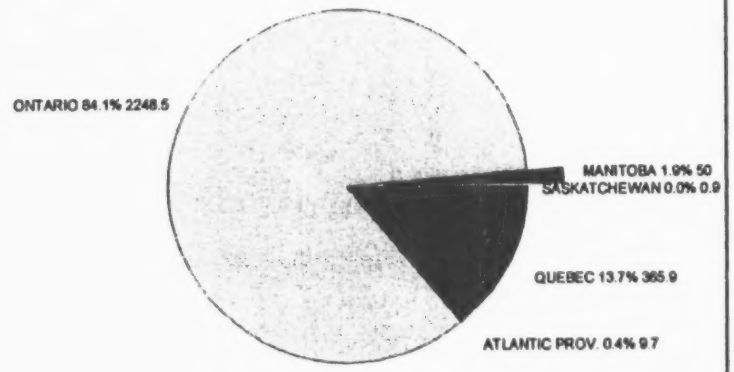


SEEDED AREA OF SOYBEANS BY AGRICULTURAL REGION, 2001

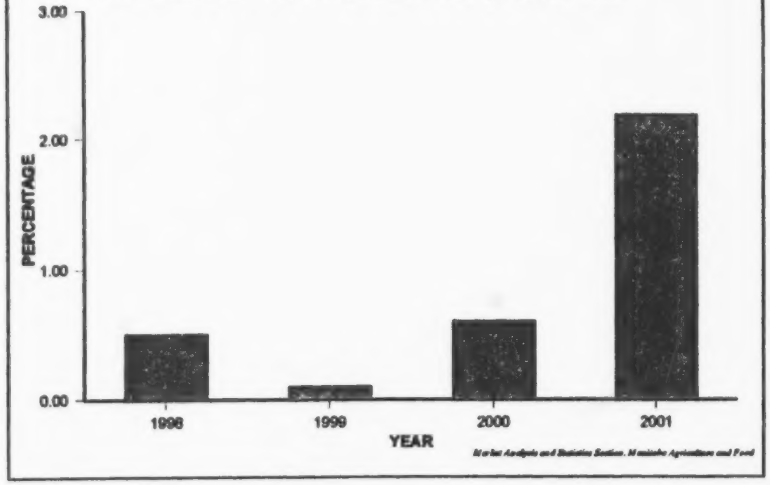


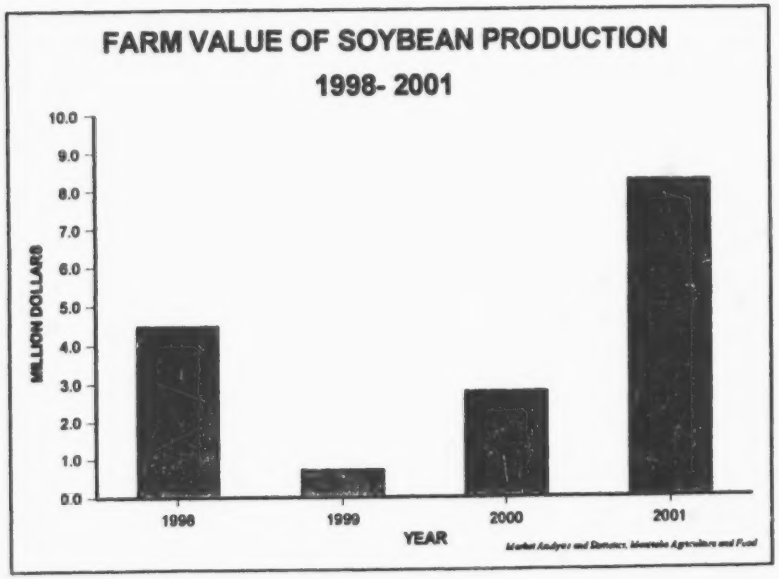
AREA OF SOYBEANS SEEDED BY PROVINCE, 2001

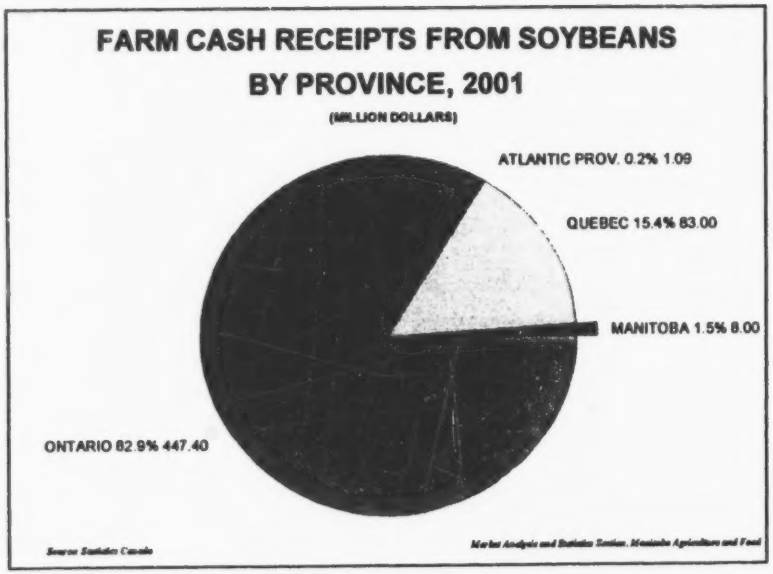
('000 ACRES)

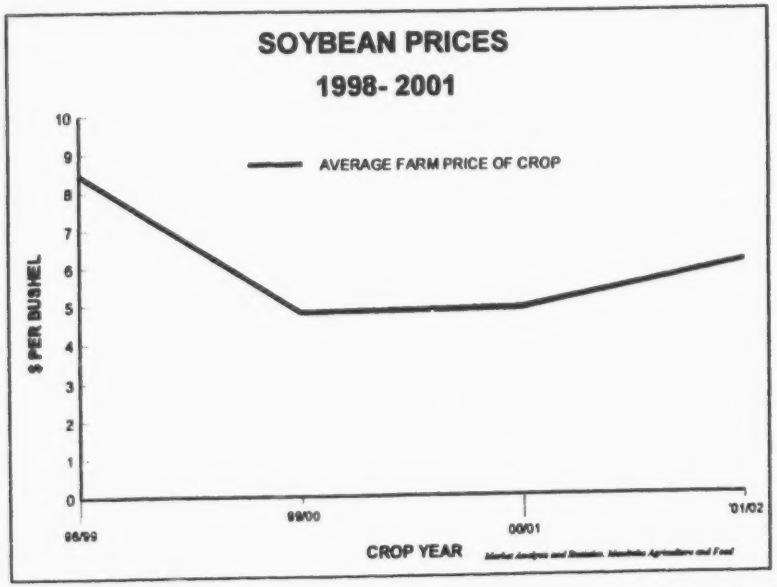


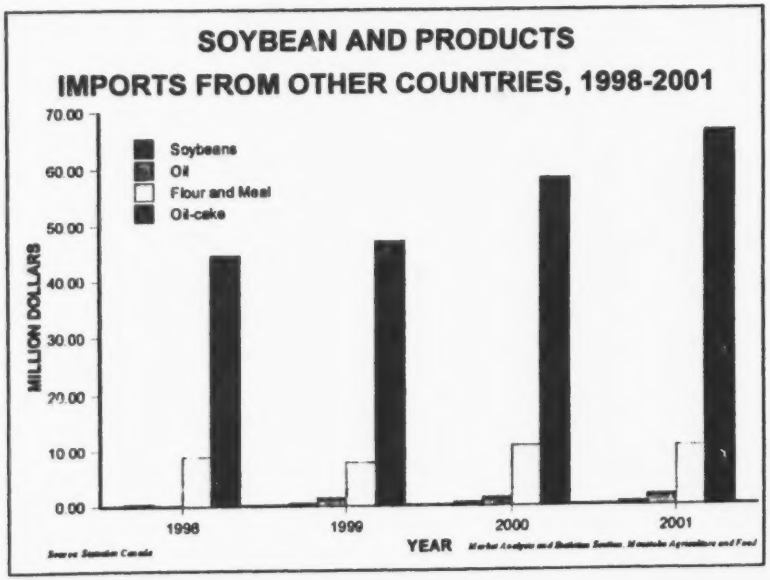
SOYBEAN PRODUCTION AS A PERCENTAGE OF CANADIAN PRODUCTION, 1998- 2001



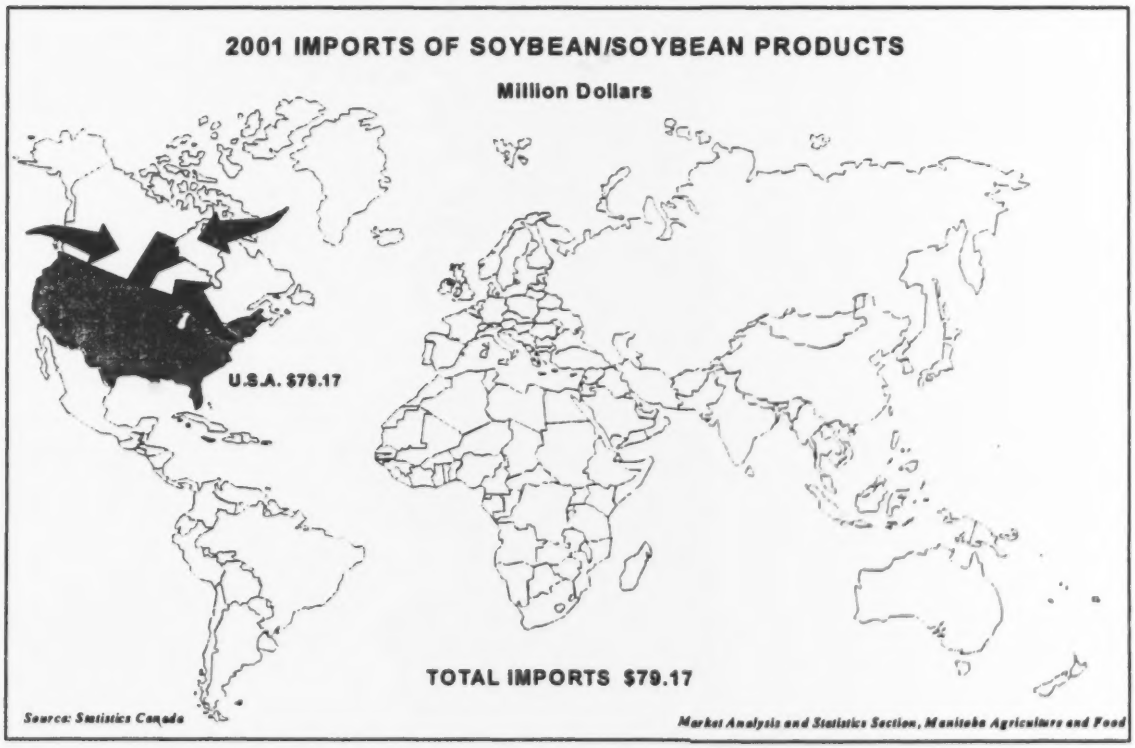

FARM VALUE OF SOYBEAN PRODUCTION
1998- 2001
MILLION DOLLARS
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
1998
1999
2000
2001
YEAR


FARM CASH RECEIPTS FROM SOYBEANS
BY PROVINCE, 2001
(MILLION DOLLARS)
ATLANTIC PROV. 0.2% 1.09
QUEBEC 15.4% 83.00
MANITOBA 1.5% 8.00
ONTARIO 82.9% 447.40


SOYBEAN PRICES
1998- 2001
AVERAGE FARM PRICE OF CROP
$ PER BUSHEL
10
9
8
7
6
5
4
3
2
1
0
98/99
99/00
00/01
'01/02
CROP YEAR


SOYBEAN AND PRODUCTS
IMPORTS FROM OTHER COUNTRIES, 1998-2001
Soybeans
Oil
Flour and Meal
Oil-cake
MILLION DOLLARS
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
1998
1999
2000
2001
YEAR

2001 EXPORTS OF SOYBEAN/SOYBEAN PRODUCTS
Million Dollars
GERMANY $0.10
NETHERLANDS $0.08
POLAND $0.05
BELGIUM $0.17
JAPAN $0.01
U.S.A. $1.98
ITALY $0.38
SPAIN $0.03
MALAYSIA $0.32
ECUADOR $0.01
SINGAPORE $0.05
MAURITIUS $0.01
TOTAL EXPORTS $3.19
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food


2001 IMPORTS OF SOYBEAN/SOYBEAN PRODUCTS
Million Dollars
U.S.A. $79.17
TOTAL IMPORTS $79.17
Source: Statistics Canada
Market Analysis and Statistics Section, Manitoba Agriculture and Food